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GAF
CORPORATION

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ANNUAL
REPORT
1973



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GAF: A Thrust Toward New Markets

GAF's basic know-how in chemical technology, accumulated over more than 100 years, has nourished the Company's growth and guided it into five congeneric, or related, fields. The fundamental capacity to develop and formulate highly complex chemical specialties has enabled the Corporation to expand soundly into the photographic, reprographic, building and industrial products businesses.

Except for photographic and floor products, most GAF products in the past have been sold directly to manufacturers or contractors who ultimately incorporate them into their own finished goods or services—with little or no GAF identification.

Today, however, there is growing recognition of the GAF brand name and the red GAF symbol. This recognition derives from the Company's quality consumer products and the advertising and marketing exposure they are increasingly receiving. Accordingly, the Company's growth plan for the years ahead calls for accelerating the

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Financial Highlights**1973****1972****Sales****\$848,886,000****\$768,460,000****Net Income****\$ 28,924,000****\$ 27,706,000****Earnings per Common Share**

Primary

\$1.85**\$1.75**

Fully Diluted

\$1.58**\$1.49****Cash Dividends**

Per Preferred Share

\$1.20**\$1.20**

Per Common Share

\$.42**\$.40**

**The Annual Meeting of GAF
Shareholders will be held at 1:30 p.m.,
April 23, 1974, at the Quality Inn South
in Chattanooga, Tenn.**

GAF Corporation 1974**DISCLOSURE** [®]

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marketing of goods and services bearing the GAF name directly to the ultimate consumer. Old markets are being examined and new ones developed. The long-term goal is to enable GAF to translate its technological expertise into self-contained packaged products bearing GAF identification.

Each GAF product group is actively seeking ways and means to achieve this goal. The pace of GAF's marketing communications, including market research, packaging, advertising and distribution, is now being stepped up to respond to these new directions. At the conclusion of the review of operations for each of the five major products sales groups, as reported in these pages, a short commentary is provided to highlight this new marketing thrust.

The sequence of photographs accompanying each section of the review of operations traces the flow of GAF products from research and development through manufacturing and marketing to their end uses.

The cover, in bringing together a frame from each product group, underscores the Company's emphasis on the direct marketing of GAF goods and services to the ultimate consumer.

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Message From The President

In 1973, GAF achieved another record year in sales, net income and earnings per share. Highlights of the year's financial performance are set forth on the previous page and details are contained in the financial section of this report.

All of the Company's major products sales groups contributed to this year's sales growth, all but the Building Materials Products Sales Group shared in the year's increase in profits.

The extraordinary economic events of 1973 had a major negative impact on the Company's profits in the United States. During the year costs of raw materials, energy and services increased at an accelerated pace. At the same time, price control restrictions, price freezes and the delayed and limited pass-through of costs under Phase IV controls permitted only partial relief from cost increases. Plant production schedules were interrupted and additional costs incurred because of raw material shortages. Emergency procurement helped to minimize, but could not entirely eliminate, the production dislocation and the resulting inability to meet available sales demands.

Early in the year, expanded fuel facilities and secondary or standby fuel capabilities were planned or engineered at appropriate plants so that all GAF installations could share supplies and minimize difficulties. These arrangements were necessary to limit disruption of production, but further added to costs.

Cost Price Squeeze

This intense cost price squeeze was most evident in the Building Materials Products Sales Group. Demand for most of these products continued at a high level but the added cost for asphalt, polyvinyl chloride, fuel, and the paper and wood waste which the Company recycles, adversely affected operating profits. This squeeze, coupled with reduced sales, particularly hurt the floor tile product line.

A similar, although less extreme, analysis can be made for each of the other products sales groups. Details are discussed in the individual reviews of operations on the following pages. The cumulative effect of these difficulties was that GAF's 1973 sales in the United States were higher than in 1972 but domestic profits were lower.

In foreign markets it was a different story. Foreign sales volumes increased, continuing a long-term trend, and 1973 operating profits were approximately double those of 1972. In addition to general volume increases, foreign currencies

exchanged at higher rates in 1973 made GAF products exported from the United States more competitive in international markets. The 1973 operating results translated at higher dollar values were also a factor in the improved sales.

It is certain that without purchasing, technical and engineering cooperative efforts throughout the Company, the impact of the year's problems would have been appreciably more severe and the generally favorable results obtained would have been impossible.

Strong Financial Position

The Company's financial position strengthened in 1973. Appreciable potential dilution on earnings per share was removed by the repurchase of \$23,200,000 principal amount of five percent convertible subordinated notes.

The growing financial strength permitted the Board of Directors to approve an increase in the dividend rate for common shareholders starting with the August, 1973 payment.



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Capital expenditures totaled \$25,333,000 in 1973 as uncertainties regarding raw material availability and marketing trends delayed approval of several major new programs.

Anti-Trust Action

During 1973 GAF undertook a significant anti-trust action against the Eastman Kodak Company. The suit, filed in U.S. District Court in New York in April, seeks relief from monopolistic and other illegal practices which have adversely affected the conduct of GAF's photographic business. We are convinced that a favorable result in this action will enable GAF to become more competitive in the photo market.

Results to be achieved for 1974 cannot be predicted in the existing climate of economic uncertainty. The Company is confident, however, that with adequate supplies of energy and raw materials and an improved mechanism for passing on inflationary cost increases, there is every reason to expect GAF's growth in sales and profits to continue. Further reasons for our confidence include the actions taken in 1973 to terminate the production of electrostatic copying equipment, discontinue a photographic resale operation and largely complete the phase-out of dyestuff and pigment manufacturing operations at Linden, N.J. All three of these operations provided an unsatisfactory return on investment.

Whatever problems must be surmounted in 1974, we will continue to place strong emphasis on the development of new marketing approaches and on the development of meaningful new specialty products. This effort relates to our basic strategy of bringing GAF closer to ultimate users. Some aspects of this effort will be described more fully in later sections of this Annual Report. We have established a Household Products Department, originated and begun to develop the printExpress® Business Systems service concept, increased advertising, improved point-of-purchase materials and packaging and instituted new distributor and dealer relations programs.

New Business Ventures

The new Household Products Department reached the market testing stage with the first of its new items, a line of superior household dyes which are being evaluated by consumers in several cities. The Business Systems Group launched its first group of retail stores bringing a gamut of duplicating services to the ultimate consumer. These test stores are located within a 100-mile radius of Indianapolis, where a comprehensive business systems center is the focal point for these operations.

We look to the future of GAF with confidence because of the encouraging performance of dedicated employees who achieved the improved results of 1973 in the face of major obstacles. We know we can continue to rely on their energy and imagination. We also must acknowledge the support of our customers and suppliers and the continued loyalty of GAF's shareholders.

By Order of the Board of Directors

Jesse Werner

Jesse Werner
Chairman of the Board and President

February 11, 1974

Dr. Jesse Werner, GAF chairman and president reviewing samples of the Company's advertising and sales promotion materials.



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Chemicals

Sales of GAF's diversified specialty chemicals rose to a record \$172,817,000 in 1973. Profits from these operations before taxes and allocation of corporate office expenses amounted to \$20,960,000 after a \$5,942,000 write-off provision for phase-out of Linden dye and pigment operations.

The year was marked by scarcity of, and increased prices for, basic ingredients used in the production of GAF's broad line of acetylene derivatives, surfactants, latices, dyes and agricultural chemicals. This caused cutbacks and delays in production as alternate processes and substitutes were sought. In addition,

government price controls generally restricted the Company's ability to pass on to customers the substantially higher operating costs until the latter part of 1973 when a number of price increases were approved by the Cost of Living Council.

In the acetylene chemical field, sales in 1973 were considerably ahead of the previous year based on growing sales to the plastic, pharmaceutical, cosmetic and various other industries. A \$2 million expansion of GAF's butanediol facility at the Texas City, Tex. chemical plant was started in the second half of the year to add an additional 30 percent to capacity when it is completed in mid-1974. The Company, which also produces acetylene products at Calvert City, Ky., plans to expand its facilities even more to meet the increasing demand.

Modest sales gains were made in the GAF line of surface-active agents in the face of critical shortages of ethylene oxide and phenol, basic to the manufacture of several key products. The increase in sales of GAF surfactants, used as detergents, emulsifiers, dispersants and wetting agents in a variety of industries, was due in part to the successful introduction of several new specialty products. Other new products in this line are planned for 1974.

Organic Chemicals Grow

Sales of industrial organic chemicals, including GAF custom-manufactured agricultural chemicals and ultraviolet absorbers, were significantly ahead of the previous year. Major contributors to this sales rise were herbicides manufactured by GAF for other firms who market them under their respective trademarks. To meet the increased demand, GAF at mid-year began enlarging production facilities at Texas City for the herbicide made for Amchem



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Products, Inc. and sold by that company under its registered trademark Ambien®. This boosted capacity by approximately 33 percent when completed early in 1974.

Despite the developing market for GAF's line of textile chemicals and styrene-butadiene latices used in the manufacture of draperies, upholstery and carpeting, the unavailability of styrene and other basic ingredients resulted in curtailed production.

Dyes and pigments sales were down slightly in 1973 and reflected the phasing-out of the Linden, N.J. dye manufacturing facilities. The Company's Rensselaer, N.Y. plant, however, continued to turn out a spectrum of profitable colors, many of which are used in dyeing and printing of the newer synthetic fibers and fabrics.

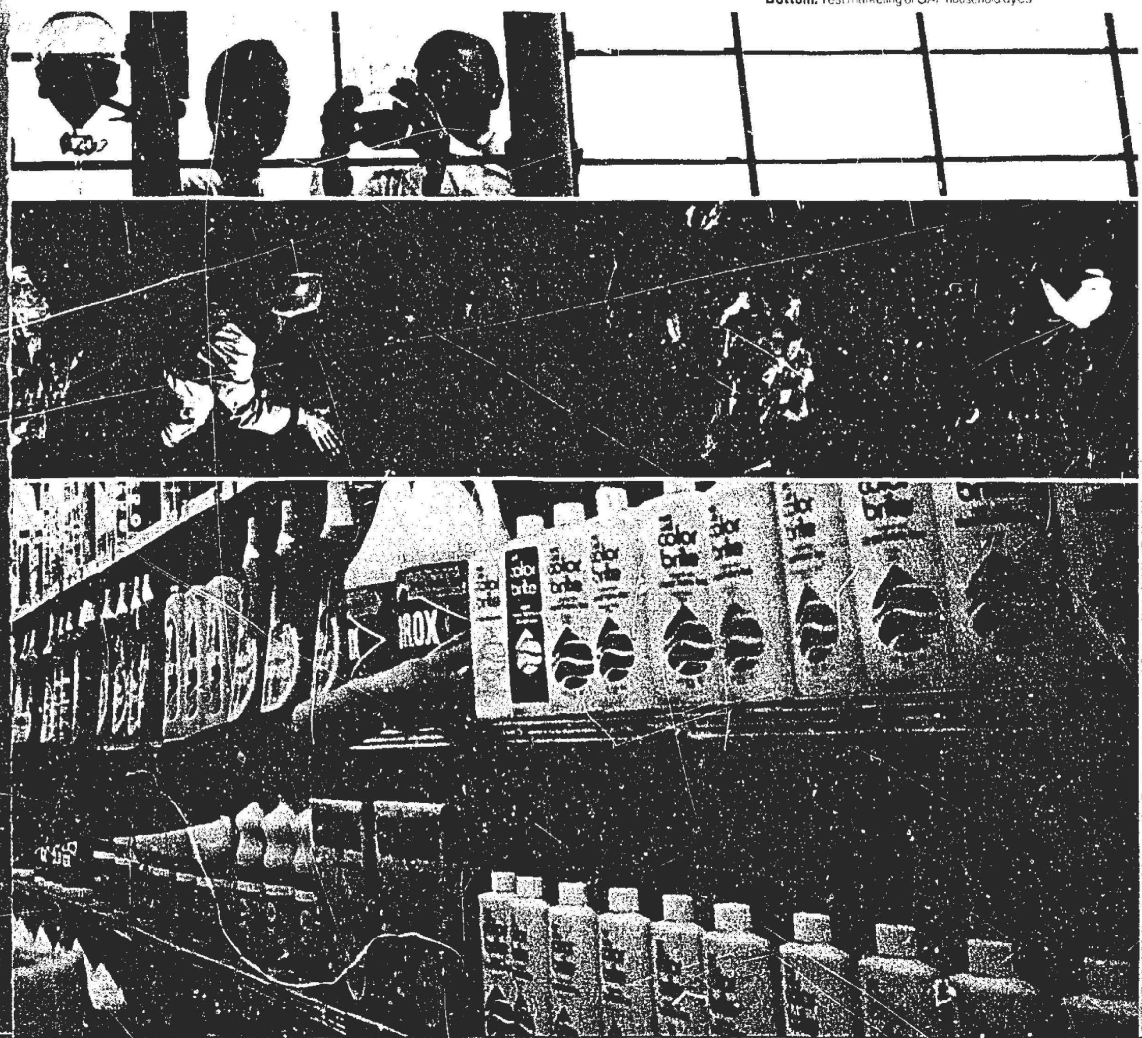
New Dimension In Chemical Marketing

GAF's traditional marketing of its wide line of specialty chemicals to industrial users added a new dimension in 1973 with the test marketing of several packaged consumer goods bearing GAF brand names. Over the years, in customizing chemical products for varied manufacturers, GAF developed extensive know-how and expertise in a great number of household items.

In late 1972, a Household Products Department was established to make a comprehensive study and determine where GAF's entry into the consumer marketplace would be most feasible. Considerable effort has since been expended in basic market research, consumer panel testing, product evaluation and actual saleability of several experimental household products designed and developed by GAF research scientists.

One of the most advanced of these new products—from a market testing standpoint—is GAF® Color Brite® household liquid dye, available in a wide variety of colors. It is currently being sales tested in supermarkets in several major cities in the U.S. In conjunction with this new marketing enterprise, GAF also has begun to build an effective distribution network to merchandise such product entries.

Top: GAF labs develop household products formulations
Middle: Pigments are manufactured at Rensselaer, N.Y.
Bottom: Test marketing of GAF household dyes



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Photo Products

The upward trend in sales and profits of the GAF Photo Products Sales Group during recent years was maintained in 1973. Sales for the Group were \$219,551,000 in 1973, and operating profits before taxes and allocation of corporate office expenses amounted to \$11,148,000.

All major elements of the Group—Consumer, Industrial, Photo Service, and European operations—contributed to the improvement in sales. An expanded sales effort, new products manufacturing controls and the elimination from the product line of slow-moving or marginal-profit items were among the changes initiated in 1973 to meet economic pressures brought by the spiraling cost of silver and the reductions of consumer color film and paper prices mandated by the dominant competitor.

The Consumer Photo Division, which serves the amateur market with a wide range of photographic films and hardgoods, introduced several new products. Among these were:

- the GAF® 440 Pocket Camera, a more sophisticated version of the GAF® 220 instant loading camera, which features an electronic shutter for automatic control;
- the GAF® 110-size color print film to fit all makes of pocket cameras;
- two advanced "available light" movie cameras, with automatic electric eyes, over/under exposure warnings, built-in daylight filters and other desirable features; and
- two GAF single lens reflex cameras, marking the Company's entry into this area of the photographic market.

In the pictorial products field, GAF's View-Master® stereoscopic product line continued its penetration into supermarkets through the use of a special sales force, and a score of packets of new three-dimensional color

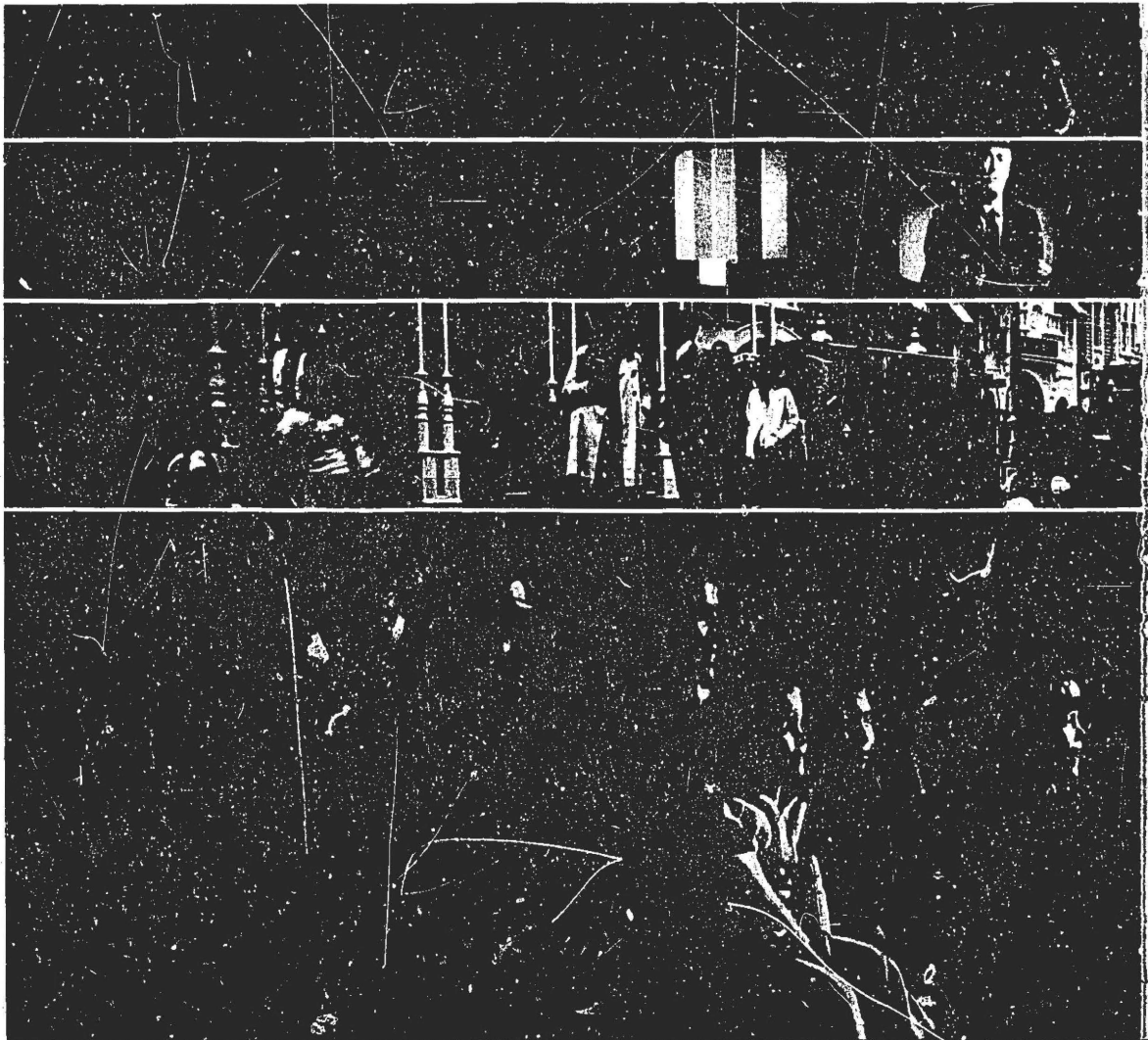
reels for the GAF standard and Talking View-Master® stereo viewers were introduced. In a related move, GAF marketed "TRAVELBUG"™ board game, its second children's game featuring View-Master products.

Tourist Sites Gain

The Company's association with such major vacationland attractions as Disneyland and Walt Disney World continued to make millions of people more aware of GAF photo products. This was reflected in growing film and camera sales at these tourist sites and throughout the country.

In the most recent of these affiliations, GAF late last year became the official film for the new Sea World in Orlando, Fla., completing the link with Sea World marine parks in San Diego, Cal. and Aurora, Ohio.

In September, GAF sold the product inventories of Lenco Photo Products, Inc. to Interphoto Corporation. Lenco, a marketing subsidiary, was



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primarily devoted to the distribution of GAF's Sawyer's® brand slide projectors, but also sold non-GAF-manufactured photographic hardgoods. The Sawyer's line is now being sold by Interphoto under a distribution agreement.

New products introduced by the Industrial Photo Division in 1973 included an improved color print paper, a new high-speed variable contrast projection printing paper for aerial photographs, a liquid systems cleaner and neutralizer for the lithographers' market, and a wide range of camera and non-camera films for graphic arts purposes under the Galmate trademark.

Production Improved

Manufacturing improvements included better utilization of manpower and equipment and greater control of distribution patterns and closer quality assurance standards. In the marketing area, sales of X-ray film and color print paper showed particular improvement.

The Photo Service Division, which provides quality photofinishing at strategically-located processing plants throughout the country, added an 18th location in the Miami area as 1973 neared its close. The new facility will serve customers throughout Florida. The Division also expanded its efforts to gain national accounts.

In the photofinishing plants, efforts were intensified to improve recovery of silver in the processing operation. In addition, substantial capital expenditures have been made for the installation of equipment to handle recently introduced non-GAF film requiring new chemistry.

The European photo operations, headquartered in Sint-Niklaas, Belgium, continued to grow in 1973. In this connection, plans are being considered for the expansion of manufacturing facilities there. The plant currently produces View-Master stereoscopic products, slide and movie projectors and slide viewers.

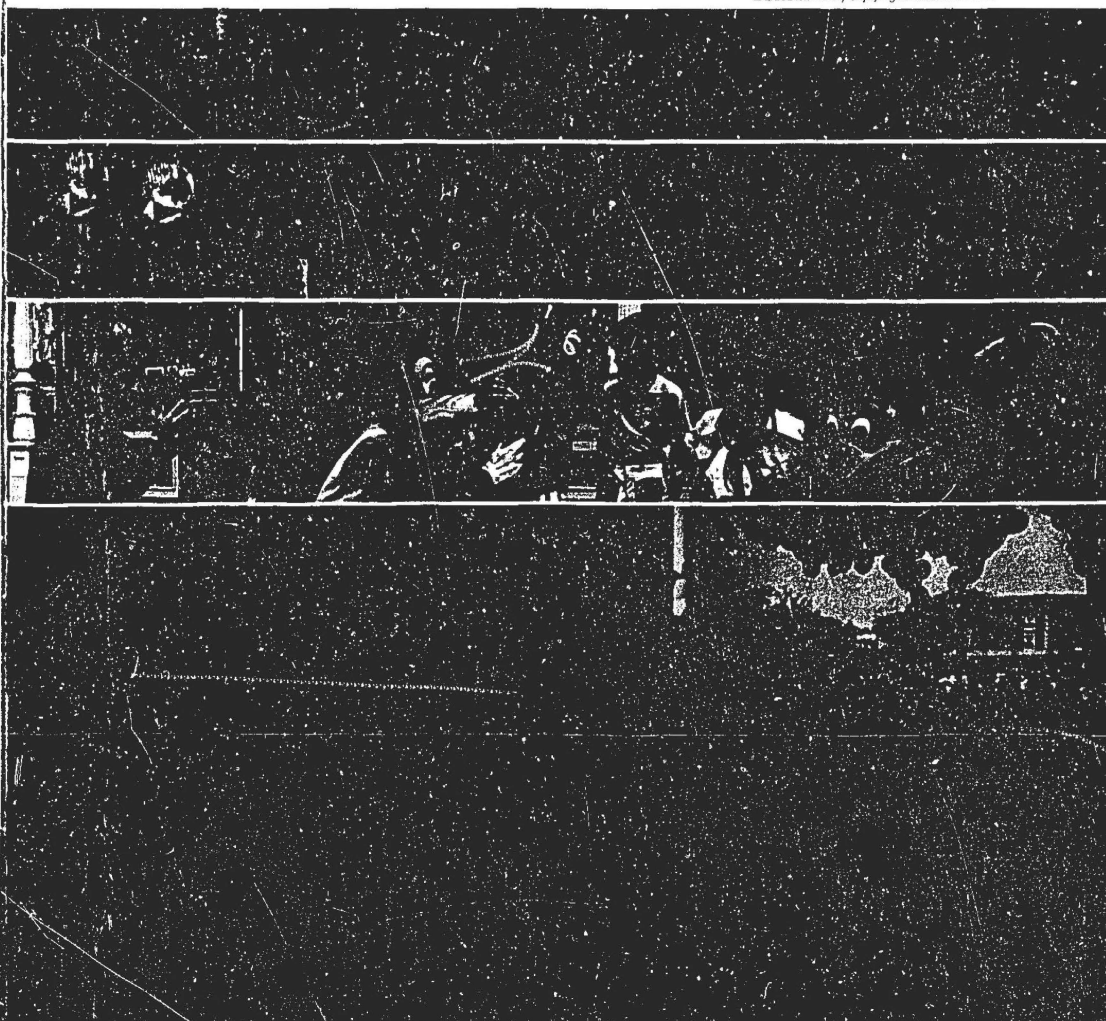
New Focus On Exposure

GAF's photographic heritage as the oldest American film manufacturing company is deeply rooted in consumer recognition and acceptance. Today, however, the Company is breaking new ground to gain additional exposure—and sales—for its photographic products line.

Although maintaining its traditional sales bases in drug, department and specialty photo stores, new inroads are being made into supermarkets, discount and allied outlets.

GAF also has positioned itself in leisure-time attraction centers. Still and motion picture taking is a major activity at these sites, and visitors often extend their film and camera purchases to include pictorial products, projection equipment and film processing. In addition, innovative radio, television and print advertising—featuring Henry Fonda—has been created to inform the public of the quality of all products bearing the GAF label.

Top: Film processing at Binghamton, N.Y.
Second: Monitoring Henry Fonda TV commercials
Third: GAF—official film of Walt Disney World
Bottom: Family enjoying its vacation movies



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Business Systems

The GAF Business Systems Products Sales Group saw sizable increases in both sales and operating profits in 1973. Net sales hit a record \$110,639,000, up 24.1 percent over the preceding year, while operating profits before taxes and allocation of corporate expenses rose a solid 112.2 percent to \$4,838,000.

Virtually every segment of the Group—diaz equipment and supplies for the printing of engineering drawings, micrographic supplies, audio-visual products and business forms—contributed to the all-time-high sales record. The major exception was electrostatic copying equipment, which at year's end was pared from the line to permit more emphasis on the diazo and micrographic operations. The Company will continue to offer coated electrostatic paper.

Domestically, new inroads into the burgeoning microfilm market were realized in 1973 with the U.S. introduction of the Microbox line of planetary cameras, readers, reader-printers and other micrographic equipment and supplies. GAF is the exclusive American distributor of this foremost West German line of engineering microfilm cameras and systems.

New Products Introduced

GAF also backed up its campaign to capture a significant share of the micrographics industry with a number of its own new products, including the industry's first completely ventless diazo roll-film duplicators, and a family of new microfiche readers.

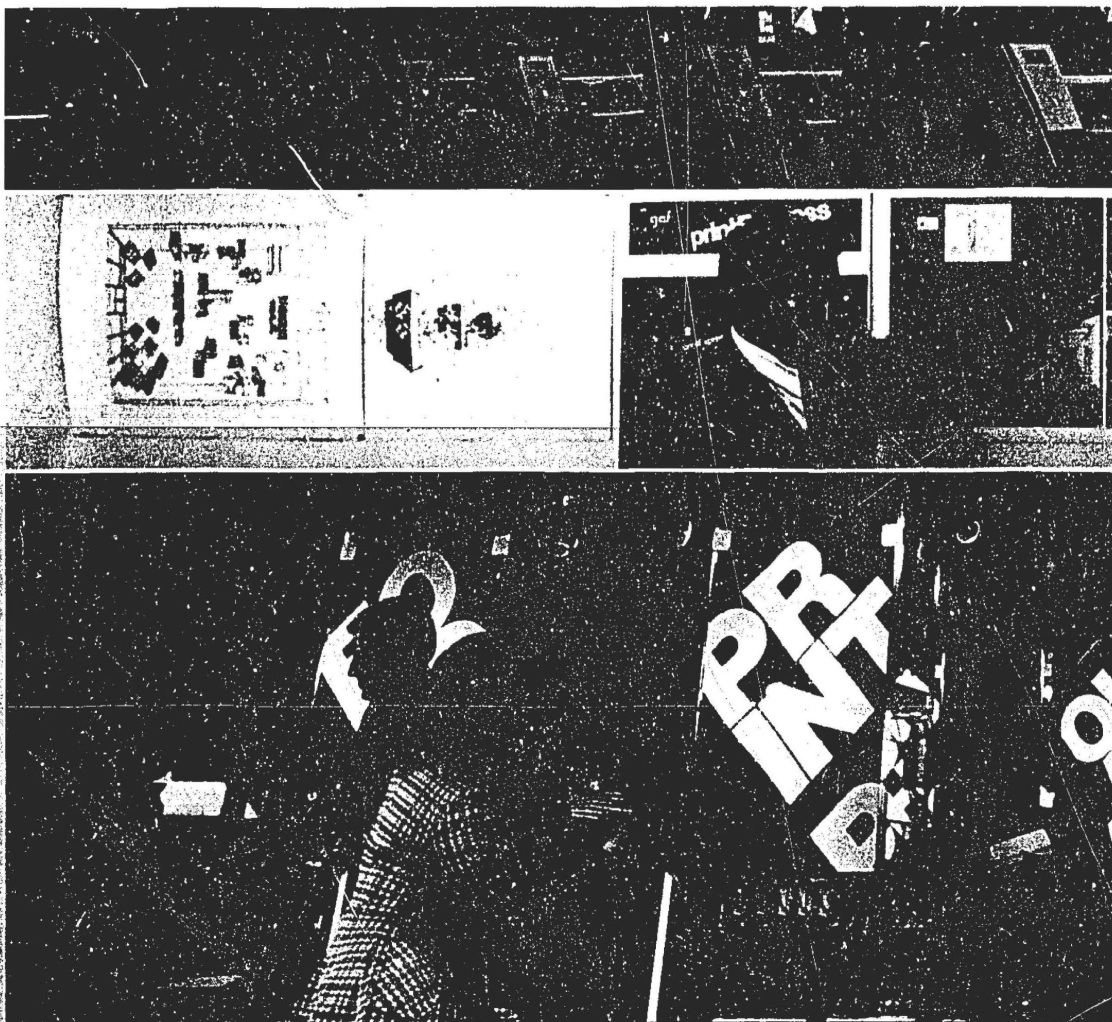
Early in 1974 the Company purchased Mohawk Industrial Laboratories, Inc., a small manufacturer of a random access information retrieval system employing standard size data processing cards. The operation, located at Vernon, N.Y., complements GAF's business

lines in that information retrieval has become an increasingly important phase of all business systems.

The Company continued to tap the growing market in inexpensive, convenience diazo copiers for smaller engineering offices and industrial use. This effort was accelerated with the successful introduction of the new GAF-180 diazoprinter.

The Group's business forms operation, which specializes in custom-designed products ranging from simple business checks to highly sophisticated computer printout cards, maintained its sales upswing and finished the year with appreciable gains—in spite of constant pressure of paper shortages.

Internationally, too, sales in the European, Australian and United Kingdom markets



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continued strong despite disruptive economic factors. In Australia, GAF's business systems operation includes drawing office supplies as well as diazo and reprographic services. This expanding operation has made great strides in penetrating new markets in New Zealand and Southeast Asia as well.

European Sales Up

On the European continent, GAF's office systems business headquartered in Delft, Holland, contributed to the rise in sales with several diazo product introductions as well as an aggressive marketing program which included the successful entry of GAF micrographic products into Spain, Italy and France.

The operations for the United Kingdom and Scandinavia, centered at Colnbrook, England, increased sales volume in spite of a business climate marked by inflation, government-imposed price restrictions and shortages of energy and raw materials. Several new diazo machines produced for worldwide markets aided the sales gain.

printExpress™—A New Service Concept

One of the cornerstones of GAF's growth has been its reprographics business. Over the years, these diazo-based operations have added new product lines, including other duplicating machines, papers and chemicals, microfilm and related materials, audio-visual equipment and business forms.

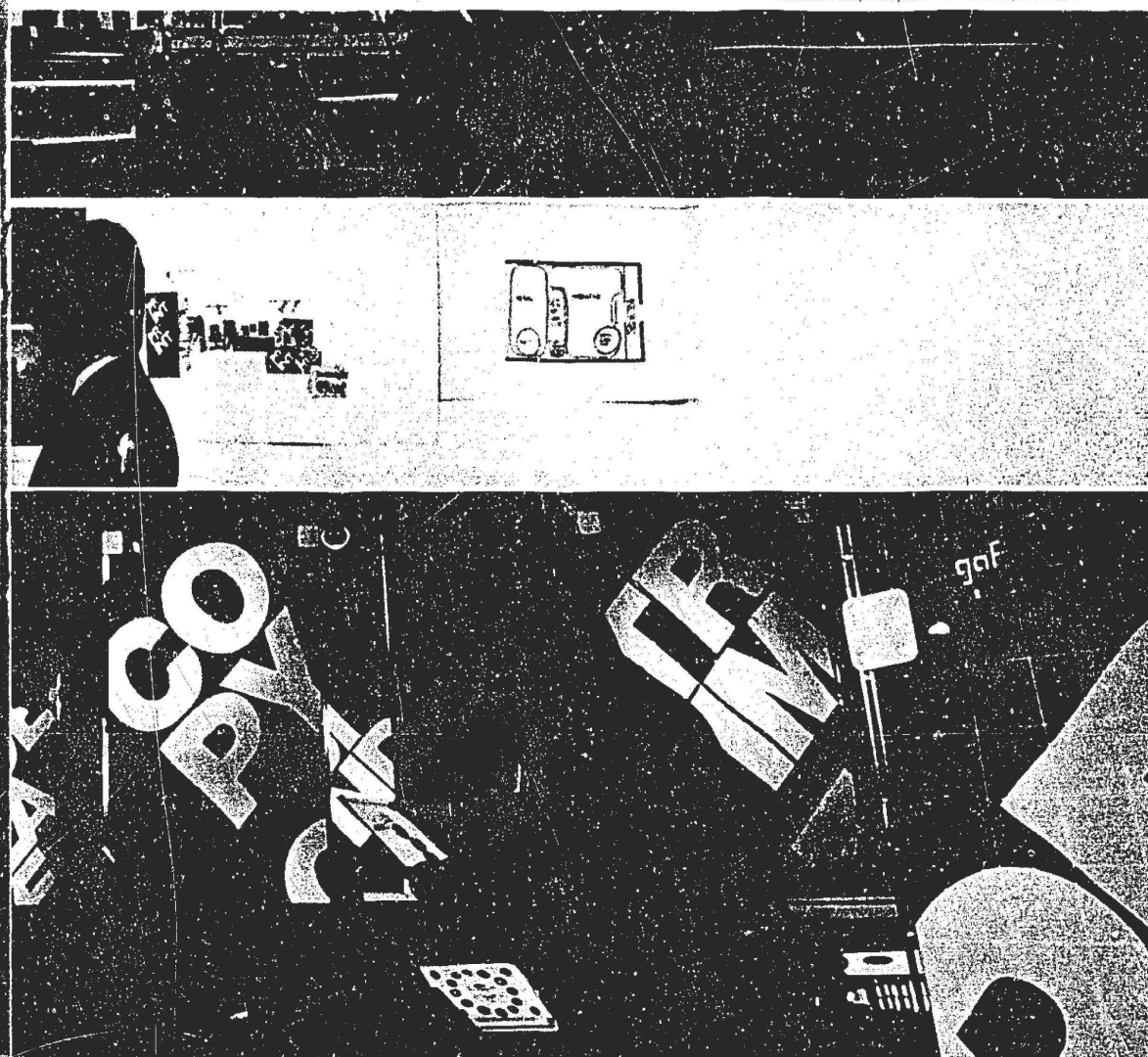
In order to reach even closer to the ultimate consumer, GAF has developed a brand name concept for actively retailing its reprographic products and services. Currently being test-marketed under the printExpress trademark in several regions in the U.S., this service concept revolves around a GAF business systems distribution center which carries the Company's full line of reprographic equipment and supplies and offers complete reprographic services.

Within a 100-mile radius of each center, satellite printExpress service facilities have been established for the servicing of consumer

duplication needs. Each satellite constitutes a convenient one-stop, full-service, retail visual communications store which merchandises art and drafting supplies and also serves as a local channel for GAF photo processing services.

Large printing runs, microfilm and other copy reproduction jobs not accommodated by the printExpress service satellite can be trucked to the GAF business center, completed and returned within 48 hours. Thus, the completely integrated reprographic service package is designed to cover commercial as well as small users such as church organizations, restaurants and educational institutions. To date, the printExpress service concept has met with initial, gratifying acceptance. The possibility of franchising these operations is also being considered.

Top: GAF diazo machines are assembled at Vestal, N.Y.
Middle: Consumer market plans are developed.
Bottom: New printExpress™ service concept in action.



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Building Materials

Sales of the GAF Building Materials Products Sales Group principally comprised of roofing, siding and resilient floor coverings, reached all time highs in 1973 at \$285,636,000. Operating profits were \$35,810,000 before taxes and allocation of corporate office expenses. Profit margins were narrowed, however, as shortages hampered production and the costs of such key ingredients as asphalt were considerably higher.

Although several price increases were instituted for GAF roofing, siding and floor products in 1973, the lag between application for these adjustments and their authorization by the Cost of Living Council affected overall profitability.

Labor problems at four building materials plants also had a deleterious effect on profitability. The Company maintained production in each case, but the problems disrupted some schedules and added to cost. The major factor was a 78-day Company lockout at the Tampa, Fla. roofing plant when union employees attempted to

reschedule their contract to coincide with those at other GAF roofing facilities. Two other work stoppages—both over contract negotiations—occurred at the Vails Gate, N.Y. floor tile plant where 250 employees struck for one month and at the Erie, Pa. roofing plant where 76 workers struck for five days. The Joliet, Ill. plant also was hit by a three-and-a-half day wildcat strike by some 730 workers.

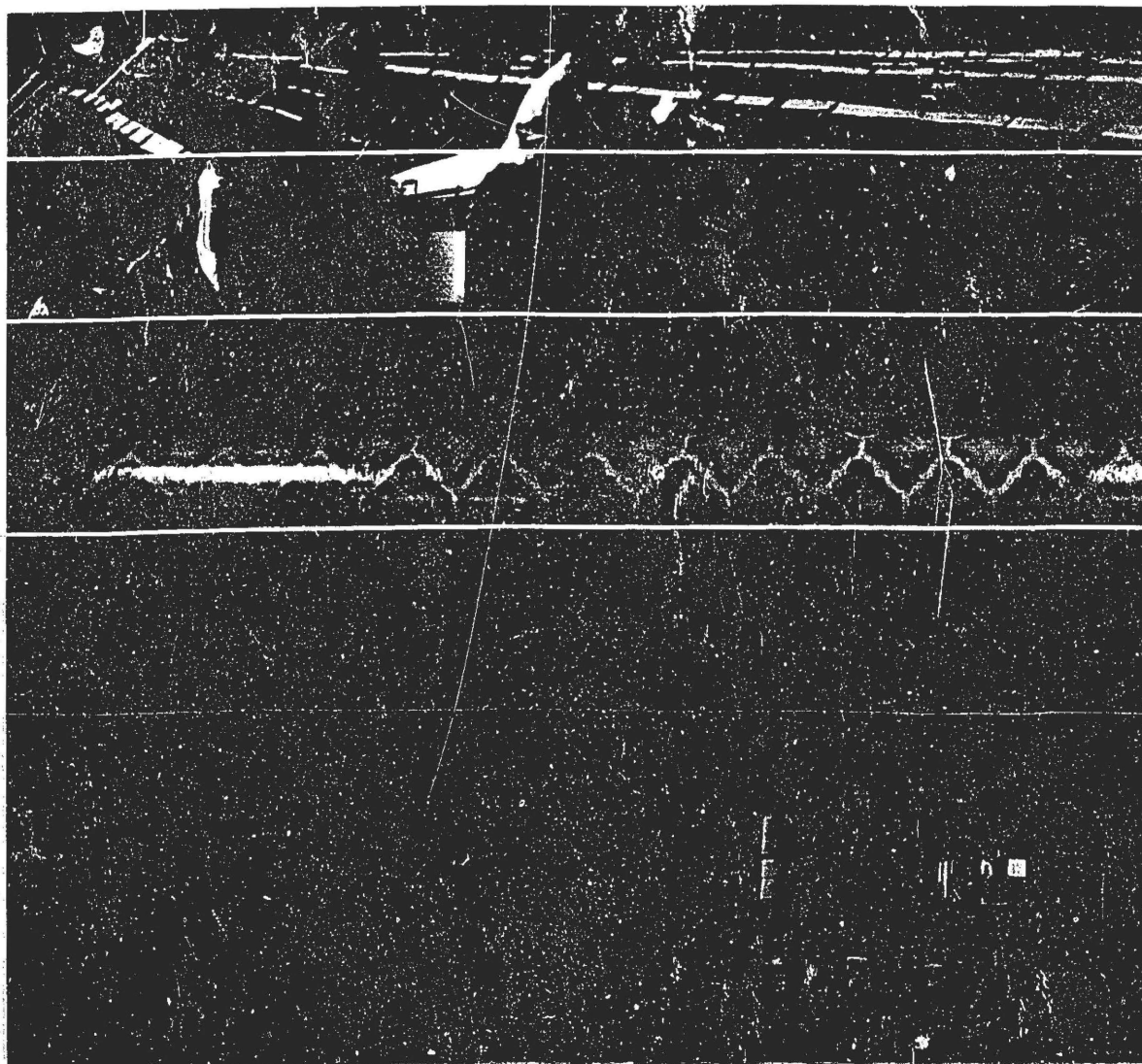
Home Remodeling Strong

The increased sales of GAF building products reflect the Company's strong position in the home remodeling and replacement markets as the number of new housing starts in the U.S. turned downward in 1973. GAF's particular strength in the remodeling market bodes well for the Company as the large number of homes erected during the building boom of the 1950's come to need new roofs.

Asphalt roofing continued to account for the largest portion of the Company's building products sales, with GAF's Timberline® self-sealing shingles making notable market gains.

In addition, the newly introduced GAF Mineral Shield™ roofing system showed good potential, which is expected to be realized in 1974. This new buildup process involves a cold-applied spray or brush application of mastic. Requiring no melting kettle, it is economical, quick to apply and eliminates the danger of burns or fire.

GAF's Stratalite® laminated mineral siding, the durable and attractive exterior wall covering which simulates hand-split cedar shingles, continued its upward sales trend. Prospects for accelerated growth are good for 1974 in view of the shortages of lumber, hard board and aluminum. In another development in the siding area, the success of GAF's Vanguard® vinyl siding and shutters prompted the construction in 1973 of a facility for the manufacture of these products. The installation, located at the Company's building products plant at Gloucester City, N.J., is currently coming on stream, but



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shortages of polyvinyl chloride will temporarily inhibit full realization of this fast-growing market.

Cash & Carry Market

The building products sales force was successful in increasing volume in large "cash and carry" chains. Emphasis is also being placed on developing new sales for GAF's line of structural mineral fiber-cement products used in industrial and commercial buildings, cooling towers and waterfront bulkheads.

GAF's floor products business underwent critical examination and review in 1973, as competitive pricing factors and the scarcity of such crucial manufacturing elements as polyvinyl chloride and related resins retarded expected growth. Sales and profits in floor products were adversely affected, particularly in floor tile. Therefore, structural changes were instituted in administration, sales and manufacturing operations and plans were formulated to strengthen the marketing of the Division's fine line of high quality, stylish and attractive sheet vinyl goods and floor tiles.

Despite the many serious problems, however, overall sales were maintained and even increased in the sheet vinyl line. The newly developed GAF "Solstep" line of heavy cushioned flooring was particularly well received. At year's end, the new, lower-priced, "no-wax" Air Ease™ foam-backed vinyl was introduced and it is predicted to increase penetration in that price market. Contractfloor™ commercial-gauged vinyl flooring—in new nine-foot width—is another innovative concept which should gain new sales in the non-residential market.

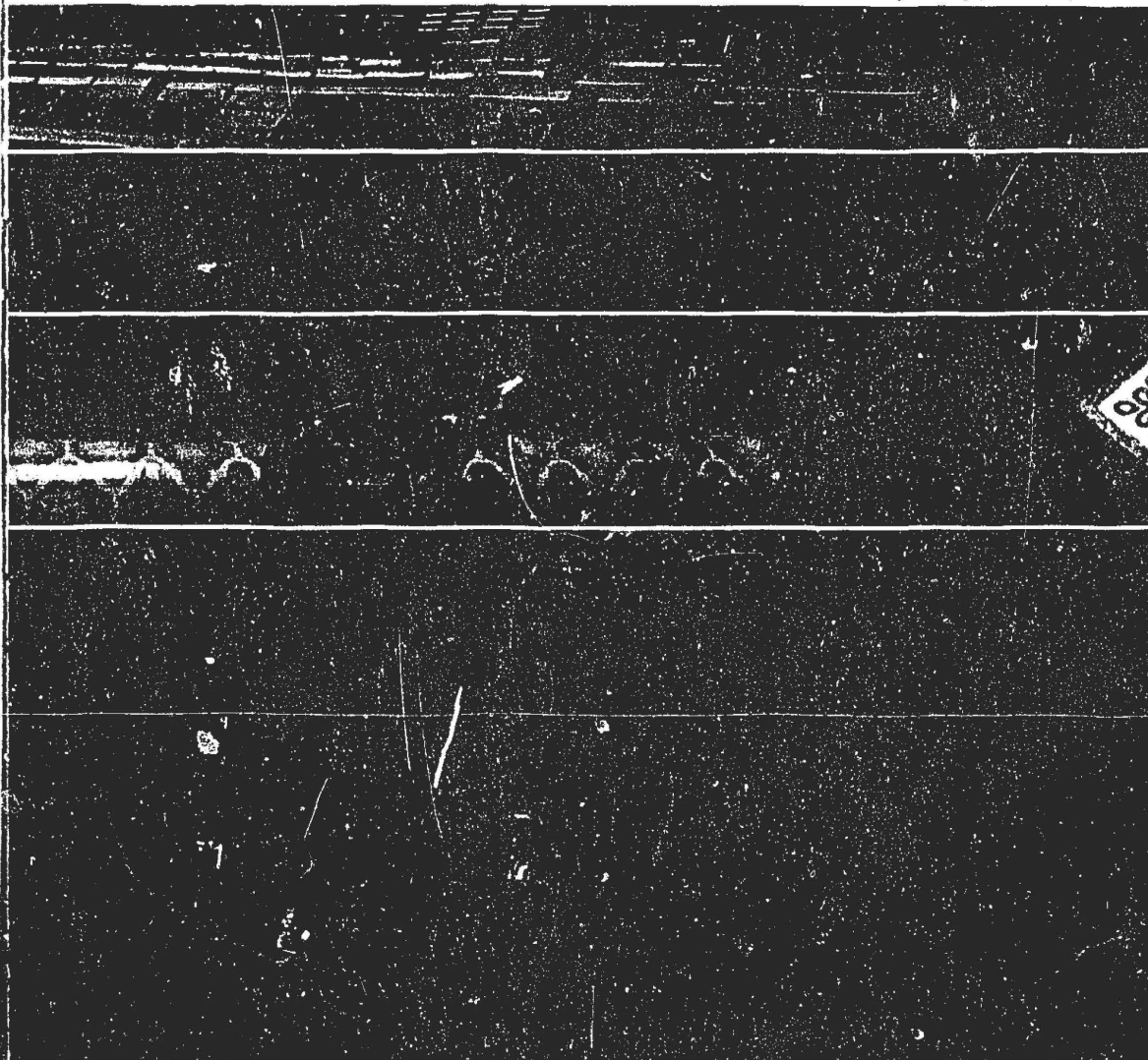
All four of the Division's floor tile plants and the Whitehall Twp., Pa. sheet vinyl manufacturing facility undertook intensified cost reduction programs during the year. As a result of these programs more efficient utilization of raw materials and significant savings have been achieved.

Roof, Floor & Siding: Selling Space 11

The marketing of GAF building materials, sold primarily through dealers and contractors, encompasses the total selling environment. After evaluation of consumer preferences and field testing of all GAF roofing, siding and floor coverings, promotional mailings and advertising are directed to architects, designers and builders. GAF also provides attractive and functional point-of-purchase displays, including samples, signs and sales brochures, to maximize showroom selling space.

Creative packages and supportive tie-in promotions complete the effort to solidify and foster GAF brand awareness in this field. This total selling environment marketing approach has been particularly useful in the growing do-it-yourself market where convenient, easy-to-install GAF building materials such as Sure-Stik™ floor tiles are crossing the threshold as household names.

Top: Weather-testing of GAF roofing shingles.
Second: Granule coatings undergo high temperature fusion.
Third: The customer selects beautiful GAF sheet vinyl flooring.
Bottom: GAF siding and roofing—protect the family.



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Industrial Products

GAF's Industrial Products Sales Group, whose basic felt and mineral product lines are used in some 162 industries, kept pace with the nation's accelerating 1973 economy and posted increased sales and profit gains during the year. Sales were \$60,243,000 and operating profits before taxes and allocation of corporate office expenses were \$11,100,000.

The demand for GAF wool and synthetic fiber felts, automotive and industrial sound control products, filtration systems and mineral granules reflected the growth in America's key consumer product industries.

A portion of the sales volume increase in GAF felt products resulted from price increases justified by the spiraling cost of wool, but synthetic felts also contributed largely to the overall growth. As a consequence, GAF in mid-year began expanding its Westerly, R.I. plant to

boost capacity of Feutron® synthetic fiber felt by some 50 percent. Feutron, and an array of similar GAF products, are used in filter cartridges and filter bags. GAF wool felts have experienced great acceptance by clothing, piano, decorative, novelty and home appliance manufacturers.

Sales of GAF completely integrated filtration systems, featuring portable, closed-metal canisters and filter media rose appreciably in the chemical process industries with the wide acceptance of Gallo® pressure vessels and Snap-Ring® filter bags.

Noise Control Products

The intensifying concern of automobile and major household appliance makers to reduce or completely eliminate noise and GAF's ability to successfully solve these problems was evident during the year. The unparalleled sales and

production of U.S. automobiles in 1973 accounted for significantly increased sales of such GAF-engineered automotive sound control products as molded wheelhouse covers. As automotive production schedules were reduced at the beginning of 1974, GAF shifted its marketing and engineering emphasis in this field to small and compact cars.

In addition, the Company gained a solid entree into the air conditioner and large appliance noise control markets as it created specialty products for these appliances. Sales of industrial sound control products to manufacturers of refrigerators, clothes and dish washing machines, vacuum cleaners and other household appliances more than doubled over the previous year.

Newly introduced Polygal™ battery separator material used in rechargeable nickel cadmium batteries to increase operating efficiency, met with enthusiastic industry acceptance in 1973 and experienced good initial sales.



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The increased use by the appliance and automotive industries of GAF® millboard and Gafpac® gasketing material, coupled with the market growth for roll roofing and flooring felts, spurred sales of GAF® mineral fiber papers and millboard products.

Granules Plants Expand

Strong sales of mineral granules for asphalt roofing products were maintained during 1973, in spite of the drop in new housing starts, but helped by the ever-present and growing home remodeling market. Major expansion programs were planned and initiated for the granule-producing facilities at Annapolis, Mo.; Charmian, Pa.; and Kremlin, Wisc. to keep pace with the continued growing demand for these materials.

"Packaging" A Marketing Message

As in marketing directed to the retail customer, the selling of industrial products to a wide range of manufacturers basically requires a useful quality product, informative advertising and good distribution.

Although household buyers seldom purchase industrial products, GAF nevertheless has "packaged" its varied line of felt, filtration and mineral goods to incorporate almost every aspect of good consumer marketing.

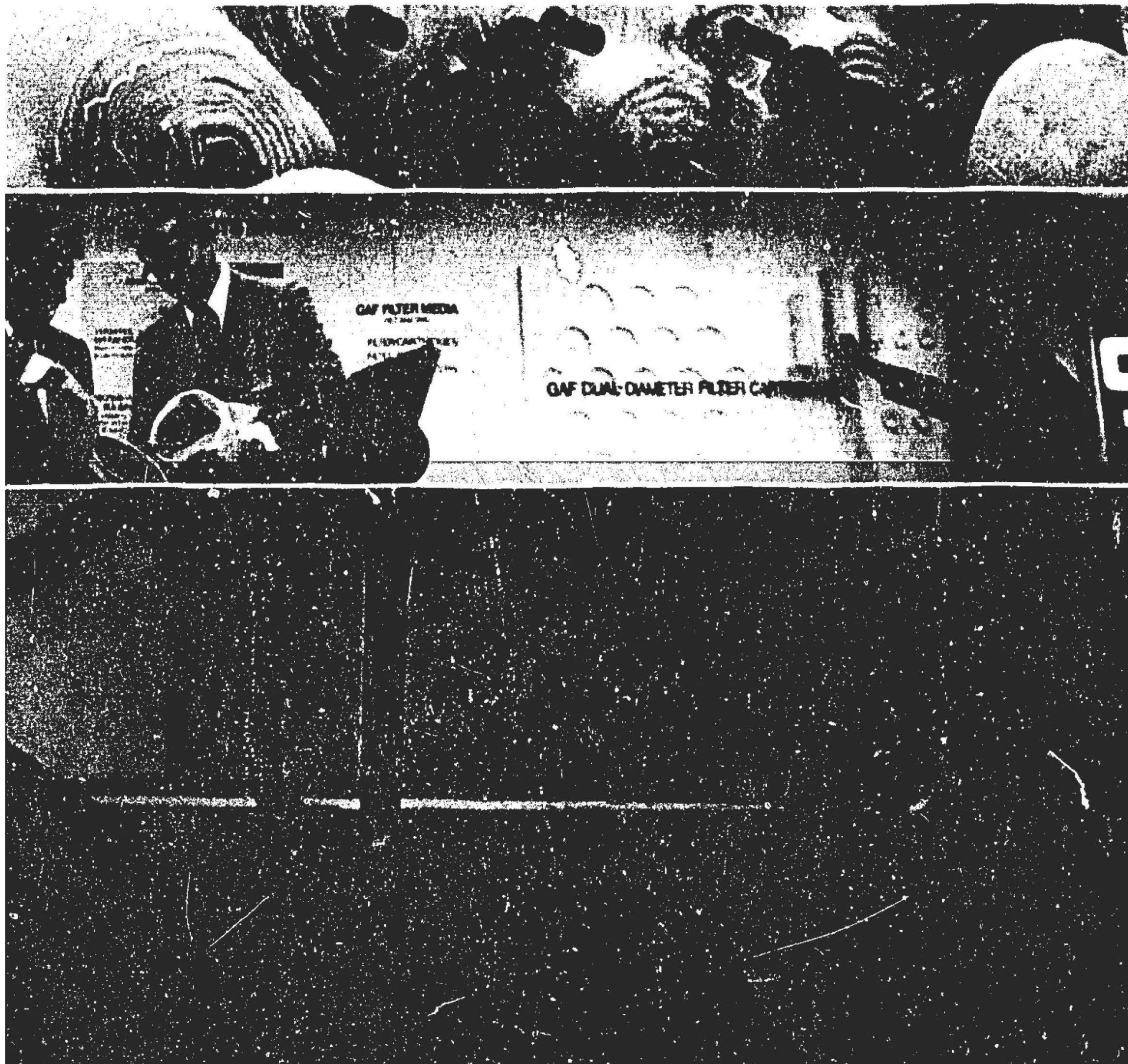
To begin with, GAF has engineered each of its quality industrial components to meet the specific requirements of the user. Even in the seemingly prosaic granules business, for instance, GAF technical and marketing people have created a design center where customers can actually custom-blend color combinations to meet their special requirements. For GAF personnel at the Bound Brook, N.J. installation, it's a matter of selling the sizzle and the steak.

GAF also continues to foster a trend toward more in-the-industry marketing by integrating products into convenient systems wherever possible. A case in point: GAF's compact, light-weight and versatile pressure vessel filtration device, combining any kind of adaptable GAF filter, and bearing the GAF logo imprint. Based on the razor-razorblade marketing approach, this pioneering industrial sales concept has proven increasingly successful.

To inform appropriate consumers of these high quality products which GAF backs with expert technical service, a persuasive eye-catching but functional advertising and sales promotion campaign is tailored to meet the needs of each market. Included in such merchandising plans are case history, publicity features in trade journals, technical literature and exhibits and displays at major trade shows.

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Top: Roll of felt manufactured at Greenwich, Conn.
Middle: Featuring GAF filter products at trade show
Bottom: Industrial filtration system developed by GAF



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International Operations

GAF's international business continued to take giant strides in expanding and strengthening its world markets in 1973. Total sales of exports of goods manufactured in the United States and products produced and marketed in foreign countries reached \$134,866,000, a 31.3 percent rise over the previous year.

This fast-growing portion of GAF's operations now accounts for 15.9 percent of the Company's consolidated sales.

The 1973 gains were made during a time of continued currency instabilities and economic uncertainties in many countries, and in spite of worldwide raw material shortages. The advance was principally achieved on the basis of strong marketing efforts by GAF personnel around the world, able to supply customers with valuable technical assistance and other service programs.

New markets were opened in Brazil in the latter part of the year when the Company established operations in Sao Paulo for the direct sale of GAF chemical filtration and floor products.

Direct marketing of this same group of products also began in Australia and regions of Southeast Asia from GAF offices in Sydney.

Corporate Services

The depth and variety of disciplines represented in the Corporate Services Department throughout 1973 supported and fostered GAF's overall operations and made significant contributions to the Company's marketing thrust.

Research and development activities produced a number of new and improved products and processes for GAF's five major groupings as noted in the review of operations. Some \$14,420,000 was expended during the year for support for current operations, discovery of new products in present business spheres, and exploratory work related to new business ventures. The scarcity of many key ingredients in 1973 led to considerable effort in developing and testing of substitute materials and alternate processes with notable results.

The Corporate Purchasing Department also contributed extraordinary efforts and played an important role in providing necessary supplies that minimized production delays.

Advertising Contribution

Advertising and sales promotion activities, employing a multi-faceted approach to the twin goals of raising GAF brand awareness and furthering consumer acceptance, made

considerable advances in 1973. The Corporation made skillful use of \$20,668,000 in implementing its programs.

Renowned actor Henry Fonda continued to be an effective advertising spokesman for the Company in domestic television, radio and special display and print advertising, and his activities for the Company will continue in 1974.

Other major advertising and promotion developments during 1973 included:

- an expanded print advertising program in major newspapers to complement increased radio and television commercials;
- a new trade advertising and promotion campaign to support intensified sales efforts in the supermarket field;
- recognition by the Freedoms Foundation for an industrial photo advertising campaign featuring GAF as America's oldest manufacturer of film;
- a series of awards for excellence in point-of-purchase merchandising displays for GAF floor products;
- new creative designs for a variety of GAF packages, products and literature.

The impact of the energy crisis during 1973 was the shared responsibility of several GAF Corporate departments. Long before energy shortages made newspaper headlines, GAF engineers instituted an energy conservation and saving program. In addition to normal savings occurring from these efforts, new heat recovery equipment engineered and introduced at several GAF facilities saved energy equivalent to that required to heat 1,000 average homes.

In another activity directed to the fuel problem, the Corporate Purchasing Department organized a team of energy specialists to program Company needs and procure and allocate fuel supplies. As a result, no operations were interrupted for lack of fuel.

Environment Protected

The national concern over environment also took the combined efforts of several corporate staffs under the Technical Services function. Environmental engineers continued their

Management Changes

Kenneth C. Foster, who recently retired from the presidency of The Prudential Insurance Company of America, was elected to the GAF Board of Directors in September, 1973. He replaced Bailey K. Howard, chairman of the executive committee, Field Enterprises, Inc., who resigned because of additional responsibilities at Field Enterprises.

Mr. Howard had served on the GAF board since 1961 and was a member of its executive committee. The Corporation is very grateful for his dedication and appreciation of the contributions he made toward its growth over the past dozen years.

In January, 1974, Donald L. Sanders, former executive vice president of GAF and consultant to the Company, resigned as a director and the Board acknowledged his contribution to the Company over an eight-year span of service.

In February, 1974, Juliette M. Moran, senior vice president of GAF, was elected to the Board to replace Mr. Sanders. Miss Moran joined GAF in 1943 and has served in a number of key administrative posts.

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In Europe, distribution of GAF floor products extended to 12 countries with the addition of Austrian, Swiss, French and Italian markets.

The overall European market continues to be a fertile field for GAF photo products, especially the View-Master® stereoscopic line of photo products, slide viewers, and slide and movie projectors produced at the Sint Niklaas, Belgium plant.

Record sales volume also was attained by GAF in Canada and Mexico. The Mexican operation primarily markets chemical specialties while the Canadian company distributes GAF photo, filtration and floor products.

successful liaison efforts with a myriad of federal, state and local pollution control authorities and provided guidance to all divisions in developing and monitoring new and improved ecological systems. Increasing attention to the internal environment also was evident in the increased number of surveys conducted at all appropriate manufacturing plants to determine and control levels of dust, noise, heat, fumes and vapor.

Also in the ecological field, Corporate engineers utilized technology unique to GAF to develop a waste water recycling system for the elimination of discharges at several plants. Similar installations are planned at other locations.

The Corporate Distribution Department aided the Company by judicious and analytical scheduling of shipments and storage of GAF products. The GAF-owned truck fleet was increased substantially and aided in the reduction of rising freight costs. In addition, a new distribution center was opened in Denver to serve the Rocky Mountain area.

Throughout the year, the Corporate Personnel Department continued its varied activities directed at developing the Company's primary resource—its employees. Efforts were intensified in upgrading and developing employee and management skills. In addition to several continuing training and education programs, new ones were initiated. An employee suggestion award system resulted in a \$350,125 annual savings to the Company. More than 2,450 ideas were submitted and \$42,037 was awarded for 749 adopted suggestions.

Safety Emphasized

Accelerated emphasis was exerted during the year to assure a safe place in which to work. Special training programs, field audits and inspections were conducted to prevent accidents and promote loss control efforts.

Continued efforts were made to recruit and upgrade minority and women employees. Government sponsored comprehensive equal opportunity compliance reviews also were conducted and successfully completed at 10 GAF facilities.

In general, GAF maintained stable industrial relations during 1973. In all, some 37 labor contracts and 26 pension agreements were negotiated. A similar number of negotiations are scheduled for 1974.

Aside from the work stoppages noted in the Building Materials review of operations, the only other disruption involved a one-day, wildcat strike of 250 employees at the Calvert City, Ky. chemical plant.

In February, 1973, Vice President J. Sickles Clement took early retirement after 36 years of service with GAF and its predecessor companies. R. Power Fraser, Jr., a corporate vice president previously responsible for the Industrial Products Division, was placed in charge of the Floor Products Division formerly headed by Mr. Clement.

The Board of Directors elected William C. Smith, general manager of the Photo Service Division, a vice president of the Corporation in May. Mr. Smith's experience in the film processing business dates back to 1947 when he joined The L. L. Cook Co., acquired by GAF in 1969.

In July, the Board also elected Frank T. Campagna a vice president of the Corporation. Mr. Campagna, who serves as general manager of the Industrial Products Division, began his GAF career in 1949 with the former American Felt Company.

Edward J. Devlin was elected vice president and controller in January, 1974, replacing W. Richard Margem, who resigned. Mr. Devlin formerly directed finance, administrative and corporate staff activities at Duplan Corporation.

Financial Review

In the Summary of Operations below, businesses acquired and accounted for on a purchase basis have been included in the Summary of Operations from dates of acquisition. There were no businesses acquired on a pooling of interests basis.

Various factors influencing the net sales and direct operating profits by groups have been mentioned previously in this report. The 1973 phase-out of Linden dyestuff manufacturing and the termination of a photographic wholesaling operation adversely affected the direct operating profits of the Chemicals and Photo Products Sales Groups respectively, while the gain on the reacquisition of 5% convertible subordinated notes reduced unallocated corporate expenses.

Direct Operating Profit of the Company's five product groups is reported before allocation of general expenses. The Company records results of operations on the basis of responsibility accounting whereby the lines of business are measured after the identification of only those items of income and expense directly applicable to each of the lines of business. The cost of functions that serve more than one line of business, such as interest and debt expense, and miscellaneous income and expense items are not allocated to the product groups but are included in Unallocated Corporate Expenses.

The Summary of Significant Accounting Policies on page 20 of this report sets forth the significant accounting policies of the Company, providing background for the Summary of Operations.

Summary of Operations

Year Ended December 31	Dollars in Millions					
	1973	1972	1971	1970	1969	1968
Net Sales by Group						
Chemicals	\$172.8	\$156.3	\$145.8	\$142.0	\$151.1	\$137.1
Photo Products	219.6	205.4	177.8	137.8	145.3	135.4
Business Systems	110.6	89.1	80.5	83.9	74.2	69.6
Building Materials	285.6	263.5	233.0	176.1	175.7	168.2
Industrial Products	60.3	54.2	46.7	43.7	45.1	44.0
Total Net Sales	848.9	768.5	683.8	583.5	592.0	554.3

Direct Operating Profit by Group

Chemicals	21.0	20.4	20.9	20.9	24.2	21.0
Photo Products	11.1	8.9	4.5	(3.1)	6.8	13.4
Business Systems	4.8	2.3	2.4	4.5	4.4	4.9
Building Materials	35.8	42.2	39.3	18.4	17.0	17.9
Industrial Products	11.1	9.3	8.5	8.3	9.2	8.4
Total Direct Operating Profit	83.8	83.6	75.6	49.0	61.6	65.6

Discontinued Operations Operating Loss	—	—	(4.3)	(2.6)	(1.0)	(0.2)
Unallocated Corporate Expenses	(31.8)	(33.3)	(33.7)	(30.8)	(30.9)	(25.6)
Profit before Income Taxes and Extraordinary Items	52.0	50.3	37.6	15.6	29.7	39.8
Income Taxes	(23.1)	(22.6)	(15.7)	(7.2)	(14.5)	(18.6)
Income before Extraordinary Items	28.9	27.7	21.9	8.4	15.2	21.2
Extraordinary Items	—	—	(8.4)	6.3	(4.1)	—
Net Income	\$ 28.9	\$ 27.7	\$ 13.5	\$ 14.7	\$ 11.1	\$ 21.2

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Data per Common Share

Year Ended December 31	1973	1972	1971	1970	1969	1968
Net Sales	\$62.08	\$55.99	\$50.25	\$42.92	\$43.58	\$41.48
Primary Earnings						
Income before Extraordinary Items	1.85	1.75	1.33	.34	.85	1.31
Extraordinary Items	—	—	(.62)	.46	(.31)	—
Net Income	1.85	1.75	.71	.80	.54	1.31
Fully Diluted Earnings						
Income before Extraordinary Items	1.58	1.49	1.19	.38	.83	1.23
Extraordinary Items	—	—	•	.41	•	—
Net Income	1.58	1.49	•	.79	•	1.23
Dividends	.42	.40	.40	.40	.40	.40
Shareholders' Equity**	18.62	17.19	15.77	15.45	14.96	14.94

Figure omitted because not dilutive. * Shareholders' equity per common share was computed by dividing shareholders' equity

reduced by liquidation value of preferred stock at the end of the year by the number of shares of common stock outstanding at the end of the year.

Employment Summary

From 1968 to 1973 the Company's sales increased 53%, the number of employees increased 12%, and wages and salaries including

fringes increased 58%. The relationship of wages and salaries including fringe benefits to net sales has remained fairly constant during the last six years.

Dollars in Millions						
Year Ended December 31	1973	1972	1971	1970	1969	1968
Net Sales	\$849.9	\$768.5	\$683.8	\$583.5	\$592.0	\$554.3
Number of Employees (Year-end)	22,544	22,827	21,955	19,773	21,088	20,177
Wages and Salaries Including Fringes	\$246.4	\$224.7	\$204.9	\$183.3	\$180.4	\$156.0
Dollars						
Net Sales per Employee	\$37,655	\$33,666	\$31,146	\$29,510	\$28,081	\$27,472
Wages and Salaries, Including Fringes, as a % of Sales	29.0%	29.2%	30.0%	31.4%	30.5%	28.1%
Average Wages and Salaries Including Fringes	\$10,930	\$9,845	\$9,334	\$9,273	\$8,555	\$7,732

Financial Condition

Dollars in Millions						
December 31	1973	1972	1971	1970	1969	1968
Current Assets	\$361.7	\$340.3	\$319.0	\$289.8	\$297.8	\$267.2
Current Liabilities	114.8	132.0	113.8	84.5	99.8	110.9
Working Capital	246.9	208.3	205.2	205.3	198.0	156.3
Property, Plant and Equipment—Net	221.2	225.9	222.6	231.2	235.8	237.5
Total Assets	627.0	610.8	588.3	561.2	574.2	535.4
Long-term Debt—Including Current Portion	136.6	136.7	155.6	152.5	156.8	112.5
Shareholders' Equity	310.0	321.3	301.8	297.1	290.2	286.4

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Financial Review (continued)

Financing Activities

During 1973, the Company secured new financing with a year-end value of \$58 million in debt obligations as follows:

- \$7 million 7¹/₂% notes—1976 maturity
- \$6 million 7³/₄% notes—1979 maturity
- \$24 million term loan with interest as a function of bank prime and no compensating balances—1980 maturity
- \$3 million 4⁵/₈% pollution control lease financing—maturity to 1983
- 50 million Swiss franc 6¹/₂% notes—1976 maturity
- 100 million Belgian franc 7.9% loan—maturity to 1985

Using funds from the new financing and from operations, the Company strengthened working capital, reduced short-term debt and current portion of long-term debt, reduced potential dilution of common stock, and reduced exposure to fluctuations in foreign exchange.

Short-term notes payable were reduced from \$41.2 million to \$27.4 million. Bank term loans, with an effective interest rate of 10¹/₄%, due in 1974-76, were prepaid, reducing the current portion of long-term debt from \$15.4 million to \$9 million. Working capital increased to \$246.9 million from \$208.3 million.

During 1973, the Company repurchased a total of \$23.2 million of its 5% convertible subordinated notes due 1994 at a total cost of \$16.8 million. This resulted in eliminating potential conversion into approximately 844,000 shares of the Company's common stock. Subsequent to the year-end, in February 1974, the Company purchased an additional \$15.8 million for \$11.4 million; thereby further reducing potential dilution by an additional 574,000 shares. To provide common stock for the exercise of stock options and the sale of restricted stock, the Company in 1973 purchased 150,000 shares of common stock at a cost of \$2.3 million.

Cash needs to meet maturing debt obligations over the next five years are:

1974	\$ 893,000		
1975	6,207,000	1977	\$ 10,470,000
1976	26,743,000	1978	11,680,000

Foreign Operations

The 1973 major foreign financing of 50 million Swiss francs (approximately \$16.5 million at the time of borrowing) and 100 million Belgian francs (approximately \$2.6 million at the time of borrowing) reduced, to some extent, the Company's potential exposure to fluctuations in the relative values of West European currencies and the U.S. dollar. The Company's foreign subsidiaries are located principally in Canada, Western Europe, and Australia.

The consolidated balance sheet includes the following amounts with respect to foreign subsidiaries (all of which are wholly-owned):

	Dollars in Thousands	
December 31	1973	1972
Current assets	\$53,976	\$42,001
Other assets	9,993	12,571
Total assets	63,969	54,572
Current liabilities	21,321	20,162
Other liabilities	5,863	2,629
Total liabilities	27,184	22,791
Net assets	\$36,785	\$31,781

Recognizing the probability of more frequent and significant fluctuations in currency values, the Company modified its accounting at the beginning of 1973 to defer gains on foreign currency fluctuations. At year-end, the Company's deferred foreign currency translation gains were \$2.2 million, including \$1.1 million applicable to the 50 million Swiss franc loan. Such loan had been exchanged to \$16.5 million at the date the loan was secured, and at the 1973 year-end exchange rate, was translated at \$15.4 million, at which value the loan is included in long-term debt.

The foreign subsidiaries achieved major gains of 35% in sales and 128% in net income. The consolidated statement of income includes the following amounts with respect to foreign subsidiaries:

	Dollars in Thousands	
Year Ended December 31	1973	1972
Net sales	\$106,414	\$78,849
Net income	\$ 5,882	\$ 2,576

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**Consolidated Statement of Income—Fourth Quarter**

		Dollars in Thousands	
Fourth Quarter Ended December 31		1973	1972
Net Sales		\$217,984	\$198,201
Costs and Expenses			
Cost of products sold		151,542	139,478
Distribution and selling		32,032	29,165
Advertising		6,074	4,998
Research and development		3,513	3,471
Administrative and general		11,001	8,031
Interest		2,717	2,570
Total Costs and Expenses		206,879	187,713
Other Income (Charges)			
Gain on reacquisition of 5% convertible notes		58	—
Phase-out of Linden dyestuff manufacturing		(447)	—
Other Income—net		646	658
Total Other Income—Net		257	658
Profit Before Income Taxes		11,362	11,146
Income Taxes		4,297	4,343
Net Income		\$ 7,065	\$ 6,803

Quarterly Data

Quarter	Net Sales		Net Income		Earnings per Common Share			
	Dollars in Millions				Primary		Fully Diluted	
	1973	1972	1973	1972	1973	1972	1973	1972
First	\$192.5	\$173.3	\$ 5.7	\$ 5.2	\$.35	\$.31	\$.31	\$.28
Second	213.5	193.8	7.8	7.2	.50	.46	.43 ^a	.39
Third	224.9	203.2	6.4	8.5	.55	.55	.46 ^a	.46
Fourth	218.0	198.2	7.0	6.8	.45	.43	.38	.36
Year	\$848.9	\$768.5	\$28.9	\$27.7	\$1.85	\$1.75	\$1.58	\$1.49

^aThe Company has restated fully diluted earnings per share for the second and third quarters of 1973 from \$.44 to \$.43 and from \$.47 to

\$.43, respectively, to give effect to the reacquisition of the Company's 5% convertible subordinated notes.

Audit Committee

The Board of Directors Audit Committee, comprised of outside directors, meets separately with the independent certified public accountants and Company management at least twice a year to

discuss the scope of the annual examination, internal accounting controls and significant accounting matters.

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GAF Corporation and Consolidated Subsidiaries Summary of Significant Accounting Policies

Principles of Consolidation

The accounts of all significant subsidiaries of the Company are included in the consolidated financial statements.

Translation of Foreign Currencies

Current assets and current liabilities of foreign subsidiaries and long-term foreign obligations are translated into U.S. dollars at year-end exchange rates, other assets and liabilities and depreciation at historical dollar values and other operating accounts generally at average exchange rates for the year.

Prior to 1973, foreign exchange gains and losses were included in income. In 1973, however, the Company modified this policy in response to major and unprecedented changes in the international monetary markets (including, among other conditions, the floating, without limitation, of major international currencies). Under the modified policy, cumulative foreign translation gains are deferred to the extent they exceed translation losses previously charged to income. Foreign translation losses will be charged to income currently to the extent they exceed net translation gains previously deferred.

Inventories

Inventories are valued at the lower of cost (principally average) or market.

Property, Plant and Equipment, and Related Depreciation

Expenditures for maintenance and repairs are charged directly to expense; major replacements and betterments are capitalized and depreciated over the remaining estimated economic lives of the related assets. The cost and related accumulated depreciation of property sold, retired or fully depreciated are removed from the accounts and any resultant gain or loss is included in income currently.

Depreciation is computed principally on the straight-line method based on the estimated economic lives of the assets. These lives are subject to annual review and revision to assure that the cost of the related assets is written off over their economic lives.

Cost in Excess of Net Assets Acquired

Cost in excess of net assets acquired, which arose in connection with acquisitions prior to November 1, 1970, is not being amortized to the extent that there is no diminution in value; such cost relating to acquisitions made subsequent to October 31, 1970, all of which has continuing value, is being amortized on the straight-line method over a period of forty years.

Income Taxes

The tax effects of transactions are recognized in the year in which the transactions enter into the determination of net income regardless of when they are recognized for tax purposes. The resulting deferred income taxes arise from reporting certain income and expense items, principally depreciation and the disposition of plant facilities, for financial statement purposes in periods different from those in which such amounts are reported for United States income tax purposes.

Investment Tax Credit

The Company accounts for investment tax credits arising since January 1, 1971 as a reduction of the provision for United States income tax (the flow-through method). Investment tax credits which arose prior to that date have been deferred and are being amortized over the estimated service lives of the related assets.

Research and Development Costs

Expenditures for research and development are charged to income as incurred.

Retirement Plans

The Company and its subsidiaries have several retirement plans covering substantially all employees. The Company's policy is to fund amounts equal to pension cost accrued and, for plans with prior service costs, to amortize such costs over periods not to exceed forty years.

Earnings Per Share

Primary earnings per common share are computed by dividing net income less preferred stock dividend requirements by the weighted average number of shares of common stock outstanding during the year. The computation assumes the exercise of outstanding stock options to the extent they are dilutive.

Fully diluted earnings per common share are computed on the assumption (where the effect thereof would be dilutive) that the convertible securities outstanding at the end of the year had been converted into shares of common stock at the beginning of the year, and that conversions occurring during the year had occurred at the beginning of the year. Appropriate adjustments for dividends on preferred stock and interest on convertible notes (net of income tax effect) are made to earnings applicable to common stock for assumed conversions. The computation also assumes the exercise of all dilutive stock options.

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Consolidated Statement of Income

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Year Ended December 31	1973	1972
Net Sales	\$848,886,000	\$768,460,000
Costs and Expenses		
Cost of products sold	594,380,000	535,395,000
Distribution and selling	119,274,000	108,181,000
Advertising	20,668,000	18,659,000
Research and development	14,420,000	14,113,000
Administrative and general	38,441,000	33,989,000
Interest	12,068,000	10,237,000
Total Costs and Expenses	799,251,000	720,574,000
Other Income (Charges)		
Gain on reacquisition of 5% convertible notes (Note 3)	6,359,000	—
Phase-out of Linden dyestuff manufacturing (Note 2)	(5,942,000)	—
Other Income—net	2,000,000	2,463,000
Total Other Income—Net	2,417,000	2,463,000
Profit Before Income Taxes	52,052,000	50,349,000
Income Taxes (Note 6)		
State	2,559,000	2,144,000
United States—current	16,747,000	14,057,000
United States—deferred	828,000	6,023,000
United States investment tax credit	(1,399,000)	(1,521,000)
Amortization of deferred United States investment tax credit arising prior to 1971	(591,000)	(608,000)
Foreign income taxes	4,984,000	2,548,000
Total Income Taxes	23,128,000	22,643,000
Net Income	\$ 28,924,000	\$ 27,706,000
Weighted Average Number of Common Shares Outstanding	13,631,000	13,687,000
Earnings per Common Share		
Primary	\$1.85	\$1.75
Fully diluted	\$1.58	\$1.49

Consolidated Statement of Retained Earnings

For The Year	1973	1972
Balance, January 1	\$252,147,000	\$233,672,000
Net income	28,924,000	27,706,000
Total	281,071,000	261,378,000
Less cash dividends:		
Preferred stock (\$1.20 per share)	3,726,000	3,759,000
Common stock (1973—\$.42 per share, 1972—\$.40 per share)	5,726,000	5,472,000
Total	9,452,000	9,231,000
Balance, December 31 (Note 3)	\$271,619,000	\$252,147,000

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Consolidated Balance Sheet

December 31	1973	1972
Assets		
Current Assets		
Cash	\$ 14,050,000	\$ 19,819,000
Accounts receivable—trade, less allowance for doubtful accounts—1973, \$2,964,000; 1972, \$2,322,000	150,763,000	136,729,000
Accounts receivable—other	6,909,000	5,251,000
Inventories		
Finished goods	85,344,000	86,871,000
Work in process	36,694,000	36,359,000
Raw materials and supplies	59,449,000	48,260,000
Total Inventories	181,487,000	171,510,000
Prepaid expenses	8,457,000	7,004,000
Total Current Assets	361,666,000	340,313,000
Property, Plant and Equipment, at cost		
Land and land improvements	15,901,000	15,457,000
Buildings and building equipment	100,132,000	106,098,000
Machinery and equipment	244,163,000	238,517,000
Construction in progress	9,408,000	11,158,000
Total Property, Plant and Equipment	369,604,000	371,230,000
Less accumulated depreciation	148,395,000	145,366,000
Property, Plant and Equipment—Net	221,209,000	225,864,000
Cost in Excess of Net Assets Acquired of which		
\$2,632,000 is being amortized	35,303,000	35,928,000
Other Assets:		
	8,838,000	8,670,000
Total Assets	\$627,016,000	\$610,775,000

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December 31	1973	1972
Liabilities and Shareholders' Equity		
Current Liabilities		
Notes payable (Note 3)	\$ 27,434,000	\$ 41,242,000
Accounts payable	43,849,000	39,005,000
Accrued liabilities	32,211,000	27,985,000
United States and foreign income taxes	10,429,000	8,534,000
Current portion of long-term debt (Note 3)	893,000	15,388,000
Total Current Liabilities	114,816,000	132,054,000
Long-term Debt Less Current Portion (Note 3)	135,716,000	121,316,000
Deferred Credits		
Deferred income taxes	27,575,000	28,997,000
Deferred investment tax credit	4,889,000	5,481,000
Deferred foreign currency translation gains (Note 1)	2,166,000	—
Total Deferred Credits	34,630,000	34,478,000
Other Liabilities	1,872,000	1,664,000
Commitments and Contingent Liabilities (Note 8)		
Shareholders' Equity		
Preferred stock, \$1 par value; authorized 6,000,000 shares of \$1.20 convertible series; outstanding—1973, 3,105,009 shares; 1972, 3,104,108 shares; at assigned value of \$1.25 per share (liquidation value 1973, \$85,388,000) (Note 7)	3,881,000	3,880,000
Common stock, \$1 par value; authorized 25,000,000 shares; issued—1973, 13,763,427 shares; 1972, 13,762,328 shares (Note 7)	13,763,000	13,762,000
Additional paid-in capital	52,053,000	51,769,000
Retained earnings (Note 3)	271,619,000	252,147,000
Total	341,316,000	321,558,000
Less common stock held in treasury, at cost—1973, 90,149 shares; 1972, 36,209 shares	1,334,000	295,000
Total Shareholders' Equity	339,982,000	321,263,000
Total Liabilities and Shareholders' Equity	\$627,016,000	\$610,775,000

Consolidated Statement of Changes in Financial Position



Year Ended December 31	1973	1972
Funds Provided		
From operations:		
Net income	\$ 28,924,000	\$ 27,706,000
Charges (credits) not affecting working capital:		
Depreciation	23,200,000	25,400,000
Gain on reacquisition of 5% convertible notes (Note 3)	(6,359,000)	—
Phase-out of Linden dyestuff manufacturing (Note 2)	5,942,000	—
Deferred income taxes (non-current portion)	(1,189,000)	2,847,000
Amortization of deferred investment tax credit	(591,000)	(608,000)
Amortization of deferred charges and other assets	387,000	358,000
Other	3,189,000	2,189,000
Funds provided from operations	53,503,000	57,892,000
Issuance of long-term debt	57,530,000	—
Deferred foreign currency translation gains (Note 1)	2,166,000	—
Proceeds from exercise of stock options and sale of restricted stock to key employees	672,000	1,039,000
Total	113,871,000	58,931,000
Funds Applied		
Additions to property, plant and equipment	25,933,000	29,022,000
Reacquisition of \$23,200,000 principal amount of 5% convertible notes, less gain of \$6,359,000 (Note 3)	16,841,000	—
Other reductions in long-term debt	19,930,000	16,161,000
Cash dividends	9,452,000	9,231,000
Acquisition of treasury stock	2,434,000	668,000
Other	690,000	824,000
Total	75,280,000	55,906,000
Increase in Working Capital	\$ 38,591,000	\$ 3,025,000
Working Capital, January 1	208,259,000	205,234,000
Working Capital, December 31	\$246,850,000	\$208,259,000
Analysis of Changes in Working Capital		
Increase (decrease) in current assets		
Cash	\$ (5,769,000)	\$ 2,691,000
Accounts receivable	15,692,000	6,211,000
Inventories	9,977,000	15,106,000
Other	1,453,000	(2,695,000)
Total	21,353,000	21,313,000
Increase (decrease) in current liabilities		
Notes payable and current portion of long-term debt	(28,303,000)	17,650,000
Accounts payable	4,844,000	5,167,000
Accrued liabilities	4,326,000	1,183,000
United States and foreign income taxes	1,895,000	(5,712,000)
Total	(17,238,000)	18,288,000
Increase in Working Capital	\$ 38,591,000	\$ 3,025,000

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1 Foreign Operations

In 1973, the Company had a \$2,166,000 unrealized foreign currency exchange gain including \$225,000 of unrealized gains at December 31, 1973 on forward exchange contracts. Unrealized foreign currency exchange losses for 1972, amounting to \$447,000, were charged to income in 1972.

Reference is made to the Foreign Operations section of the Financial Review for amounts relating to net income and net assets of foreign subsidiaries.

2 Phase-Out of Linden Dyestuff Manufacturing

During 1973, the Company curtailed the dyestuff operations at its Linden, N.J. plant, resulting in a charge to income of \$5,942,000 (before tax benefit of \$2,882,000), including a write-off of \$4,992,000 of plant and equipment.

3 Long-term Debt and Dividend Restrictions

Long-term debt at December 31, 1973 and 1972 was as follows:

	1973	1972
	Dollars in Thousands	
Term Loans repaid during 1973	\$ —	\$ 30,000
6 1/2% Swiss Franc Note due October 1, 1976 translated at year-end exchange rate	15,395	—
Promissory Notes due May 15, 1980	24,000	—
5 1/2% Convertible Subordinated Notes due April 1, 1983 with annual repayments of \$200,000 on each April 1 through 1982 and balance of \$1,800,000 payable April 1, 1983	3,600	3,800
5% Convertible Subordinated Notes due April 1, 1994 with annual repayments beginning April 1, 1992	26,700	49,900
5 3/4% Sinking Fund Debentures due December 1, 1991 with annual sinking fund payments of \$2,500,000 on each December 1, less \$3,153,000 and \$1,970,000 in treasury in 1973 and 1972, respectively	41,847	45,530
Other notes, which bear interest at 3 1/4% to 9% and mature at various dates to 1986	25,067	7,474
Total	136,609	136,704
Less portion due within one year	893	15,388
Long-term debt, less current portion	\$135,716	\$121,316

The promissory notes due in 1980 were issued pursuant to a loan agreement with a group of banks on May 15, 1973. Each note bears interest at 118% of the prime commercial lending rate through May 15, 1975; 122% of such rate through May 15, 1978; and 128% of such rate thereafter. Outstanding borrowings at December 31, 1975 are repayable in quarterly installments commencing in 1976.

The 5 1/2% convertible subordinated notes are convertible into shares of common stock, at any time prior to April 2, 1976, at a conversion price of \$28.72 per share (subject to anti-dilution adjustments in specified circumstances).

The 5% convertible subordinated notes are convertible into shares of common stock, at any time, at a conversion price of \$27.50 per share (subject to anti-dilution adjustments in specified circumstances). During the year, GAF purchased \$23,200,000 of these notes at a discount which resulted in profit of \$6,353,000 (before tax provision of \$3,257,000).

At December 31, 1973 GAF had a \$49,000,000 line of credit, with interest at the prime commercial lending rate. Pursuant to the informal arrangements under which the line of credit was established, compensating balances are generally required to equal 20% of the outstanding borrowings and 10% of the unused portion of the revolving line of credit. No portion of this line of credit was being used at December 31, 1973 and the compensating balance amounted to approximately \$4,900,000. Commercial paper in the amount of \$18,850,000 is included in current Notes Payable.

Dividends are restricted under the provisions of certain loan agreements. Under the most restrictive of these provisions, approximately \$207,000,000 of the consolidated retained earnings of \$271,619,000 at December 31, 1973 were not available for dividends.

4 Retirement Plans

Pension cost amounted to \$6,777,000 in 1973 and \$5,961,000 in 1972. The actuarially computed value of vested benefits exceeds the total of pension funds and accrued liabilities for pension cost by \$22,566,000 and \$13,612,000 at December 31, 1973 and 1972, respectively.

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IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

Notes to Consolidated Financial Statements (continued)

5 Stock Option and Stock Purchase Plans

Under the provisions of the Company's 1965 qualified stock option plan, options to purchase shares of common stock may be granted to key employees during a ten-year period ending March 31, 1975. The prices at which options may be granted may not be less than 100% of the fair market value of the shares on the dates the options are granted. The options are exercisable after a one-year waiting period and terminate five years from date of grant. A summary of the transactions affecting options under the plan is as follows:

For the Year	Number of Shares		Average Option Price	
	1973	1972	1973	1972
Outstanding January 1	190,900	201,800	\$21.04	\$20.35
Granted	78,250	76,750	12.69	21.20
Exercised	(1,000)	(57,750)	10.19	17.26
Terminated	(92,750)	(29,900)	22.92	24.08
Outstanding December 31	175,400	190,900	16.38	21.04
Exercisable December 31	97,150	116,150	19.36	20.94
Available for Grant December 31	334,350	319,850		

The excess of issue price over par value of the shares of common stock, \$9,000 in 1973 and \$977,000 in 1972, was credited to additional paid-in capital.

Under the provisions of the Company's 1969 restricted and unrestricted stock purchase plan, 650,000 shares of common stock may be sold to key employees. The plan currently provides that restricted and unrestricted shares may be sold at prices which are not less than 50% and 80%, respectively, of the closing market price preceding the date on which an employee is designated as one to whom shares may be offered. The excess of quoted market value at date of grant over the aggregate sales price for restricted shares sold is being amortized by charges to income over the restriction period. The unamortized balance to be amortized through the period ending October 12, 1982 amounted to \$2,302,000 and \$2,918,000 at December 31, 1973 and 1972, respectively. Under certain conditions, the Company has the right to repurchase restricted shares of common stock at the original selling price.

6 Income Taxes

Provision has not been made for income taxes on unremitted earnings of foreign subsidiaries, since any withholding taxes and United States income taxes payable on dividends based on undistributed earnings would be substantially offset by foreign tax credits. United States income taxes have not been provided on the unremitted earnings of the Domestic International Sales Corporation subsidiary aggregating \$2,997,000 through December 31, 1973 because the Company intends to postpone indefinitely the remittance of such earnings.

During 1973, the Company settled the open matters relating to the 1967 through 1969 United States income tax returns with the Internal Revenue Service; adequate provision had been made for such settlements in prior years.

7 Capital Stock

The \$1.20 convertible preferred stock, dividends on which are cumulative, is convertible, at any time, into common stock at the rate of 1 1/4 shares of common stock for each share of preferred. The Company may redeem the preferred stock at specified prices ranging from \$29.50 per share through May 31, 1974 to \$27.50 per share after May 31, 1977.

The shares of common stock reserved for issuance at December 31, 1973 and 1972 were as follows:

	1973	1972
Reserved for:		
Conversion of \$1.20 convertible preferred stock, including 2,685 and 3,911 shares, respectively, for deferred stock awards	3,883,946	3,884,046
Conversion of convertible subordinated notes	1,096,257	1,946,858
Exercise of stock option and purchase plans	871,750	968,750
Total	5,851,953	6,799,654

Transactions in common stock held in the treasury were as follows:

	1973	1972
Balance, January 1	\$ 295,000	\$ 54,000
Purchase of 173,000 shares in 1973 and 43,500 shares in 1972	2,434,000	668,000
Issuance of 119,060 shares in 1973 (primarily in connection with sales under the restricted stock purchase plan) and 17,291 shares in 1972 (in connection with an acquisition)	(1,395,000)	(427,000)
Balance, December 31	\$1,334,000	\$295,000

**B Commitments and Contingent Liabilities**

Rental expense was \$14,092,000 and \$13,283,000 in 1973 and 1972, respectively.

The Company is obligated under various long-term, noncancellable leases at December 31, 1973 as follows:

Aggregate Rental By Period

	Dollars in Thousands			Total
	Land & Land Improvements	Buildings & Equipment	Machinery & Equipment	
1974	\$ 73	\$ 5,303	\$2,440	\$ 7,818
1975	67	4,633	1,920	6,620
1976	35	4,363	1,441	5,839
1977	31	4,250	612	5,123
1978	31	4,154	470	4,655
1979-1983	178	19,561	631	20,390
1984-1988	178	10,381	28	10,587
1989-1993	7	7,364	—	7,371
Beyond 1993	—	4,665	—	4,685

The above amounts are for existing leases and do not represent a forecast of future expense.

The Company had commitments of approximately \$15,066,000 at December 31, 1973 for the acquisition of property, plant and equipment.

During 1973 the Cost of Living Council found that the Company engaged in no violation of the "base period profit margin" test under Phase II of the Government's Economic Stabilization Program thereby eliminating the contingent liability previously indicated in the 1972 Annual Report.

At December 31, 1973, there were certain lawsuits and claims pending against the Company. In the opinion of management, the ultimate disposition of these matters will not materially affect the Company's consolidated financial position.

Opinion of Certified Public Accountants**Haskins & Sells**

Certified Public Accountants

Two Broadway
New York 10004

To the Shareholders and Board of Directors
of GAF Corporation:

We have examined the consolidated balance sheet of GAF Corporation and its consolidated subsidiaries as of December 31, 1973 and 1972 and the related consolidated statements of income, retained earnings, and changes in financial position for the two years ended December 31, 1973. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements, together with the notes thereto and the summary of significant accounting policies (appearing on pages 20 through 27 of this Annual Report), present fairly the financial position of the companies at December 31, 1973 and 1972 and the results of their operations and the changes in their financial position for the two years ended December 31, 1973, in conformity with generally accepted accounting principles consistently applied.

February 11, 1974

Haskins & Sells

**GAF Corporation
Board of Directors**

Jesse Werner*
Chairman

T. Roland Berner*
Chairman of the Board
Curtiss-Wright Corporation

Philip B. Dalton
Executive Vice President
GAF Corporation

Kenneth C. Foster
Former President
The Prudential Insurance Company of America

Rainer E. Gut**
Deputy General Manager
Credit Suisse

Officers

Jesse Werner
President

Philip B. Dalton
Executive Vice President

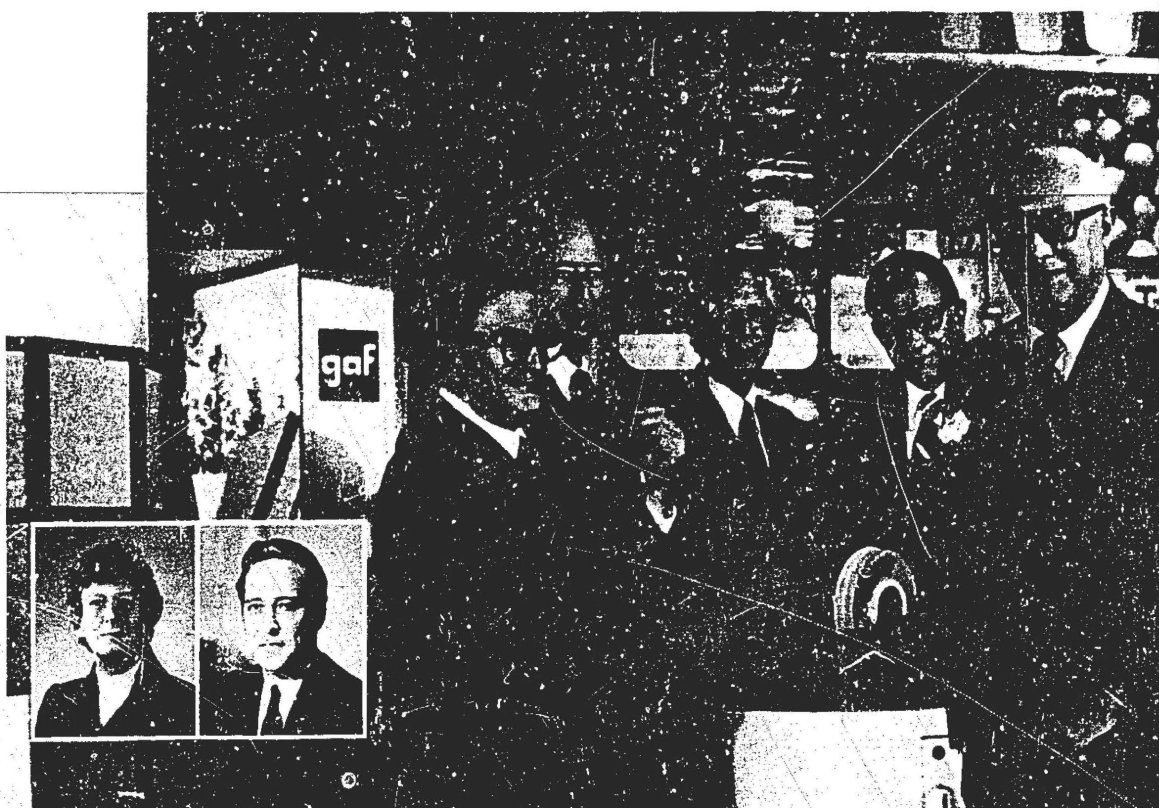
John E. Zimmerman
Executive Vice President

Juliette M. Moran
Senior Vice President

James M. Cloney
Group Vice President

Joseph G. Hall
Group Vice President

James T. Sherwin
Group Vice President



Wm. Peyton Marin*
Attorney

Juliette M. Moran
Senior Vice President
GAF Corporation

James J. O'Leary**
Vice Chairman of the Board
United States Trust Company of New York

Victor E. Rockhill**
Executive Vice President
The Chase Manhattan Bank

Howard S. Turner**
Chairman of the Board
Turner Construction Company

John E. Zimmerman
Executive Vice President
GAF Corporation

29

*Member Executive Committee

**Member Audit Committee

Raymond Addeo
Vice President

John J. Butler
Vice President

Frank T. Campagna
Vice President

Thomas A. Dent
Vice President

Edward J. Devlin
Vice President
and Controller

Stanley B. Feuer
Vice President and
Secretary

R. Power Fraser, Jr.
Vice President

A. Robert Garofalo
Vice President

Jack F. Gow
Vice President

Simon W. Kantor
Vice President

N. Paul Klaas
Vice President

Jay R. Olson
Vice President and
Treasurer

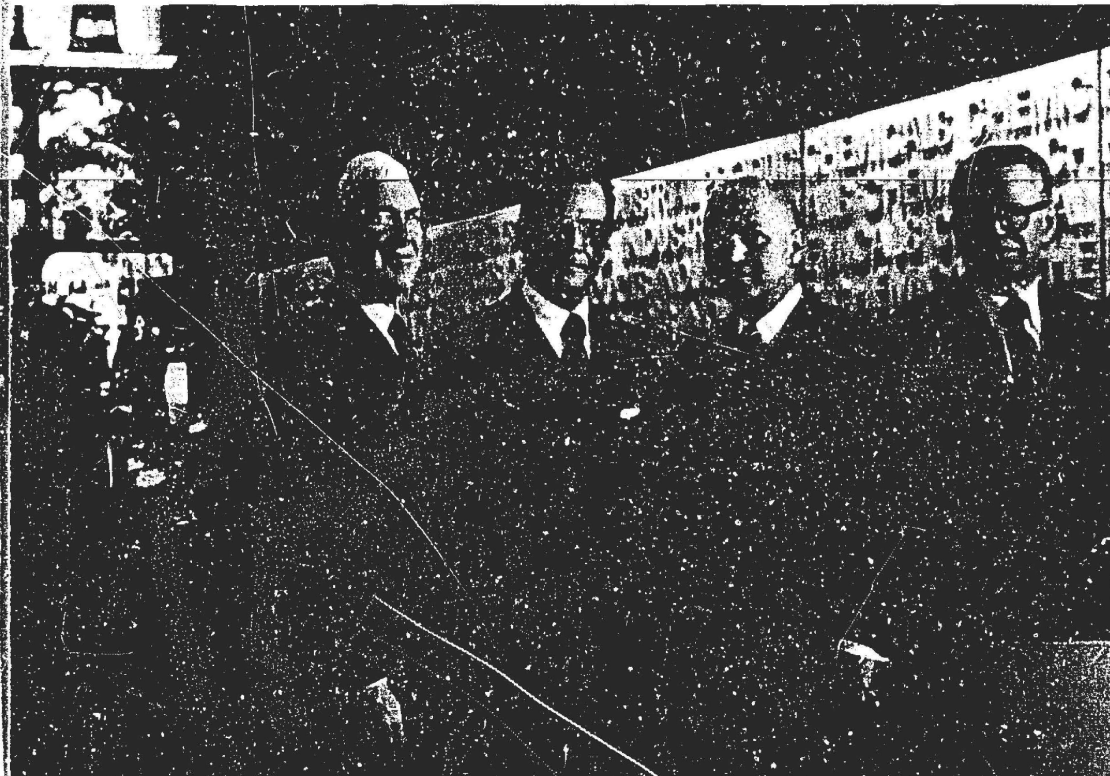
Alfred P. Rimlinger
Vice President

Jack Scheckowitz
Vice President

William C. Smith
Vice President

Raymond J. Wilcox
Vice President

GAF's Board of Directors, assembled in the Company's Product Exhibit Center in New York City, from left to right, are: Wm. Peyton Marin, Victor E. Rockhill, Kenneth C. Fraser, Philip B. Dalton, Chairman, Jesse Wiener, T. Roland Bonner, Howard S. Turner, John E. Zimmerman and James J. O'Leary. In the left are Juliette M. Moran and Rainer E. Gut.



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**Directory
of GAF
Locations**

Key:

- Chemical
- ▲ Consumer Photo
- Photo Service
- ◇ Office System
- ▲ Building Products
- Floor Products
- ◇ Industrial Products

Corporate Offices
140 West 51 Street
New York, N.Y. 10020

Telephone
212 582 7600

- Plants**
- Alabama**
 - ◇ Huntsville
 - ▲ Mobile
 - Arizona**
 - Phoenix
 - California**
 - ◇ La Habra
 - ◇ Long Beach
 - Los Angeles
 - Colorado**
 - ▲ Denver
 - Connecticut**
 - ◇ Greenwich
 - ◇ Staffordville
 - Florida**
 - Hialeah
 - ▲ Tampa
 - Georgia**
 - Dalton
 - ◇ Fairmount
 - ▲ Savannah
 - Illinois**
 - Chicago
 - Indiana**
 - ▲ Joliet
 - ▲ Mount Vernon
 - Iowa**
 - ▲ Mason City
 - Kansas**
 - Kansas City
 - Kentucky**
 - Calvert City
 - Louisiana**
 - Kenner
 - Maryland**
 - ▲ Baltimore
 - Massachusetts**
 - ◇ Franklin
 - ◇ Mills
 - Somerville
 - Michigan**
 - ◇ Detroit
 - ◇ Warren
 - Minnesota**
 - ▲ Minneapolis
- Missouri**
- ◇ Annapolis
 - ▲ Kansas City
 - ▲ St. Louis
- New Jersey**
- ◇ Bound Brook
 - ▲ Gloucester City
 - Linden
 - Paterson
 - ▲ So. Bound Brook
- New York**
- ▲ Binghamton
 - Glens Falls
 - ◇ Johnson City
 - ◇ Newburgh
 - Rensselaer
 - Vails Gate
 - ◇ Vernon
 - ◇ Vestal
- North Carolina**
- Charlotte
- Ohio**
- ◇ Elyria
 - ◇ Shelby
- Oregon**
- ▲ Portland
- Pennsylvania**
- ◇ Blue Ridge Summit
 - ▲ Erie
 - Philadelphia
 - Pittsburgh
 - Whitehall
- Rhode Island**
- ◇ Westerly
- Tennessee**
- Chattanooga
- Texas**
- ◇ Arlington
 - ▲ Dallas
 - Houston
 - San Antonio
 - Texas City
- Vermont**
- ◇ Hyde Park
- Washington**
- Seattle
 - Spokane
- Wisconsin**
- Appleton
 - Milwaukee
 - ◇ Pembine
- Sales**
- Alabama**
 - ▲ Mobile
 - Arizona**
 - Phoenix
 - California**
 - Bakersfield
 - ▲◇ La Habra
 - ◇ Long Beach
 - Los Angeles
 - ◇ San Diego
 - San Jose
 - ▲◇ So. San Francisco
 - Colorado**
 - ◇ Denver
 - Connecticut**
 - ◇ Greenwich
 - ◇ Staffordville
 - Florida**
 - Hialeah
 - Miami
 - ▲ No. Miami
 - ▲ Orlando
 - ▲ Tampa
 - Georgia**
 - ▲◇ Atlanta
 - Dalton
 - ▲ Savannah
 - Illinois**
 - ▲ Chicago
 - ▲ Franklin Park
 - ▲ Joliet
 - ▲ Lincolnwood
 - ◇ Melrose Park
 - ◇ Peoria
 - Indiana**
 - ◇ Bloomington
 - ◇ Columbus
 - ◇ Indianapolis
 - ◇ Lafayette
 - ◇ Mount Vernon
 - ◇ Muncie
 - ◇ Richmond
 - ◇ South Bend
 - ◇ Terre Haute
 - Iowa**
 - Des Moines
 - Mason City
 - Kansas**
 - Kansas City
 - Louisiana**
 - Kenner
 - Maryland**
 - Baltimore
 - ▲ Cheverly
 - ◇ Hagerstown
 - Massachusetts**
 - ◇ Franklin
 - ◇ Mills
 - Somerville
 - ◇ Westwood
 - Michigan**
 - ◇ Detroit
 - ◇ Warren
 - Minnesota**
 - ▲ Minneapolis
 - Missouri**
 - ▲ Kansas City
 - ◇ Maryland Heights
 - ▲ St. Louis
 - New Jersey**
 - ◇ Bound Brook
 - Linden
 - ▲ So. Bound Brook
 - ◇ Union
 - New York**
 - ▲ Binghamton
 - Brooklyn
 - Delmar
 - Glens Falls
 - ◇ Johnson City
 - ▲◇ New York
 - ◇ Syracuse
 - ◇ Vails Gate
 - ◇ Vernon
 - ◇ Vestal
 - North Carolina**
 - Charlotte
 - Ohio**
 - ◇ Canton
 - ◇ Cincinnati
 - ◇ Cleveland
 - ◇ Columbus
 - ◇ Shelby
 - ◇ Springfield
 - ◇ Toledo
 - ◇ Youngstown
 - Oregon**
 - Eugene
 - ▲ Portland
 - Pennsylvania**
 - ▲ Erie
 - ◇ Monroeville
 - ◇ Paoli
 - Philadelphia
 - Pittsburgh
 - Whitehall
 - South Carolina**
 - Greenville
 - Tennessee**
 - Chattanooga
 - Johnson City
 - Knoxville
 - Nashville
 - Texas**
 - ▲◇ Arlington
 - ▲◇ Dallas
 - Houston
 - San Antonio
 - Texas City
 - Washington**
 - Seattle
 - Spokane
 - Wisconsin**
 - Appleton
 - ◇ Brookfield
 - Milwaukee
 - ◇ Wauwatosa



Distribution

Alabama
 ▲ Birmingham
 ▲ Mobile

California
 □▲◆◆ La Habra
 ◆ Long Beach
 □▲◆◆ So. San Francisco

Colorado
 ◆◆ Denver

Connecticut
 ◆ Greenwich
 ◆ Stamfordville

Florida
 ▲◆ Orlando
 ▲ Tampa

Georgia
 □▲◆◆ Atlanta
 □ Dalton
 □ Savannah

Illinois
 ▲ Franklin Park
 ▲◆ Joliet
 ▲◆◆ Lincolnwood
 □◆◆ Melrose Park

Indiana
 ◆ Indianapolis
 ▲ Mt. Vernon

Maryland
 ▲ Baltimore

▲◆◆ Cheverly

Massachusetts
 ▲ Mills
 □◆◆ Westwood

Michigan
 □◆◆ Detroit

Minnesota
 ▲ Minneapolis

Missouri
 ▲ Joplin
 ▲ Kansas City
 ◆ Maryland Heights
 ◆ St. Louis

New Jersey
 □ Linden
 ▲◆ So. Bound Brook

New York
 ▲ Binghamton
 □ Glens Falls
 ◆ Johnson City
 ◆ Vails Gate
 ◆ Vestal

North Carolina
 □◆ Charlotte

Ohio
 □◆ Cincinnati
 ◆ Shelby

Oregon
 □◆ Portland

Pennsylvania
 ▲ Erie
 ◆ Monroeville
 ◆ Paoli
 ◆ Whitehall

South Carolina
 ▲ Charleston

Tennessee
 □ Chattanooga
 □ Johnson City
 □ Knoxville
 □ Nashville

Texas
 ▲◆ Arlington
 ▲ Dallas
 ◆ Houston
 ◆ Texas City

Washington
 ▲◆ Seattle

Wisconsin
 ◆ Brookfield

Research

Connecticut
 ◆ Greenwich

Illinois
 ▲ Chicago
 ◆ Joliet
 □ Melrose Park

Kentucky
 □ Calvert City

Maryland
 ◆ Hagerstown

Massachusetts
 □ Westwood

New Jersey
 ◆ Bound Brook
 ◆ Linden
 ◆ So. Bound Brook

□▲◆ Wayne

New York
 ▲ Binghamton
 ◆ Johnson City
 □ Rensselaer
 ◆ Vails Gate
 ◆ Vestal

North Carolina
 □ Charlotte

Pennsylvania
 □ Easton
 ◆ Whitehall

Tennessee
 □ Chattanooga

Texas
 □ Texas City

GAF Photo Repair Centers

California
 Van Nuys

Illinois
 Chicago

New York
 Binghamton
 Woodside

Oregon
 Portland

International Manufacturing and Marketing Subsidiaries

GAF (Australasia) Pty. Ltd.
 Alexandria, Australia

GAF (Old.) Pty. Ltd.
 Brisbane, Australia

GAF (S.A.) Pty. Ltd.
 Adelaide, Australia

GAF (Vic.) Pty. Ltd.
 Melbourne, Australia

GAF (W.A.) Pty. Ltd.
 Perth, Australia

GAF (Belgium) N.V.
 Sint-Niklaas, Belgium

GAF do Brasil
 Sao Paulo, Brazil

GAF (Canada) Limited
 Mississauga, Ontario, Canada
 Montreal, Quebec, Canada
 Toronto, Ontario, Canada
 Vancouver, British Columbia, Canada

GAF (Denmark) A/S
 Ballerup, Denmark

GAF (Deutschland) G.m.b.H.
 Cologne, Germany
 Darmstadt, Germany
 Frankfurt, Germany
 Hamburg, Germany

GAF (France) S.A.
 Louvres, France

GAF (Great Britain) Limited
 Colnbrook, England
 Hounslow, England
 Manchester, England

Helioprint Hellas S.A.
 Athens, Greece

GAF (Ireland) Limited
 Dublin, Ireland

GAF (Italia) S.r.l.
 Pero, Italy

GAF (Japan) Limited
 Tokyo, Japan

GAF Corporation de Mexico S.A. de C.V.
 Mexico City, Mexico

GAF (Nederland) N.V.
 Delft, Holland

GAF (New Zealand) Pty. Ltd.
 Wellington, New Zealand

GAF (Norge) A S
 Oslo, Norway

GAF (Osterreich) G.m.b.H.
 Vienna, Austria

GAF Svenska AB
 Stockholm, Sweden

GAF (Switzerland) A.G.
 Zug, Switzerland

International Film-Processing Laboratories

Sint-Niklaas, Belgium
 London, England

GAF authorized film-processing laboratories and equipment-repair stations are located throughout the world

Affiliates

Chemical Developments of Canada Limited, Pointe Claire, Quebec, Canada

Sawyer's Asia Pty. Ltd. Bombay, India

Domestic Subsidiaries

GAF Export Corporation
 New York, N. Y.
 Carolina, P.O. Box 1100
 GAF International Corporation
 New York, N. Y.



Directory of GAF Products and Services

GAF Chemicals Surfactants

Nonionic, anionic, cationic, and amphoteric surface-active agents for use as detergents, emulsifiers, dispersants, and wetting agents.

Specialty Chemicals

Processing and formulating agents including textile auxiliaries, biocides, antistats, flame-retardants for plastics, coating and finishing agents, adhesive additives, sequestrants, metal lubricants, corrosion inhibitors, flocculants and sludge conditioners for waste water treatment, and solvents for use in various industries and in recycling operations and pollution control.

Latices

GAF synthetic latices and Gafco[®] compounds are produced from a wide range of monomers and polymers for floor coverings, upholstery, textile fabrics, paper board, nonwovens, and adhesive industries.

High-Pressure Acetylene Derivatives

Monomers, polymers, copolymers, solvents, organic intermediates, and specialty chemicals derived from acetylene for use in cosmetic, petroleum, pharmaceutical, plastic, textile, adhesive, and a variety of other industries.

Industrial Organic Chemicals

Complex cyclic and aliphatic compounds for use as active ingredients and as intermediates in the dye, pharmaceutical, agricultural, and chemical processing industries.

Dyestuffs

Used to color cotton, wool, silk, rayon, acetate, nylon, polyester, acrylics, and other man-made fibers and blends; also paper, leather, and detergents; acid, azo, azoic, basic, chrome, condensation, direct, disperse, mordant, metalized, and vat dyes; fluorescent brighteners; and oil-, spirit-, water-soluble dyes.

Pigments

Lakes, dispersed powders, toners, dispersed pastes, and presscakes used in coloring paints, lacquers, and other protective coatings, plastics, printing inks, rubber, solvents, oils, waxes, and in melt spinning or dyeing of fibers; azo, benzidine, BON, carbazole, carbon, chrome, dianisidine, molybdate, naphthol, nitroso, phthalocyanine, PMA, PTA, and pyrazolone pigments.

Iron Powders

Microscopic-size spheres of iron used in VHF and UHF circuitry, transmitters, receivers, radar, and in powder metallurgy.

Silver Salts

Silver nitrate, silver cyanide, monovalent and divalent silver oxides for photography, electroplating, battery, and other applications.

Ultraviolet Light Absorbers

Ultraviolet-screening agents for cosmetics, plastics, textiles, pigments, rubber, and adhesives.

GAF Photo Products Consumer Products

Still and movie cameras, projectors; color slide, movie, and print films; black-and-white still and movie films; papers, chemicals, and accessories.

Pictorial Products

View-Master[®] talking and silent stereo viewers and picture reels, projectors, games, and toys; Pana-Vue[®] slide viewers and color slides for educational, entertainment, and commercial uses.

Photo Service

Nationwide processing service for black-and-white and color still and movie films.

Graphic Arts Products

Films, papers, and chemicals for offset printing, photolithography, photoengraving, rotogravure, phototypesetting, and silk-screen printing.

Professional Products

Color and black-and-white films, color and black-and-white papers and chemicals for portrait, school photography, photofinishing, and industry; specialized materials for seismic recording, instrumentation, surveillance, oscillography, computer output microfilming (COM), and motion pictures.

Photoimaging Products

High-resolution see-through glass plates, film, and photoresist for the electronics industry.

X-Ray Products

Medical and industrial X-ray films, chemicals, and accessories; radiologic teaching aids.

GAF Business Systems Products Business Forms

Custom designed and printed data-processing forms, sales books, manifold order books, single copy forms, unit-set forms, voucher and receipt books; Card-Set[®] forms and forms for autographic register and similar items.

Reproduction Products

Diazo copying machines, accessories, and sensitized materials for engineering and business systems; drafting materials and supplies; electrostatic copier papers, toners, and supplies.

printExpress[™] Service Centers

Quick-service retail outlets for copying, offset printing, white printing, microfilming, overhead transparency production; art and drafting supplies and equipment.

Audio-Visual Products

Overhead and slide projectors, overhead projection transparency series for pre-school through college instruction, custom transparency production service, materials and supplies; computer-interfacing and manually operated random access slide projectors.

Micrographic Products

Diazo microfilm, silver microfilm; microfilm cameras and processors; full line of readers, reader-printers, and roll film duplicators; automatic document retrieval units for use in various business systems and microfilm systems.

Contract Sales

Contract manufacture of precision parts and equipment.

GAF Building Materials Building Products

Timberline[®] and other roofing shingles; roll roofing; asphalt, asbestos, built-up roofing felts; asphalt protective coatings and cements; mineral fiber board, roof shingles, sidings; asbestos cement canal bulkhead, corrugated and flat sheets; building and roof insulations; Stratalite[®] thatch siding; Vanguard[®] vinyl siding and decorative shutters.

Floor Products

Asphalt and vinyl asbestos resilient floor tiles, Sure-Stik[®] adhesive-backed floor tiles for "do-it-yourself" market; Sofstep[®] and other sheet vinyl floorings, asbestos flooring felt, adhesives, cove base, and floor finishes and cleaners for residential and commercial uses.

GAF Industrial Products

Felt and Filter Products

Wool and synthetic fiber felts and filter devices for liquid and gas filtration; pressure vessel filter systems; sealing and lubricating devices; plate-glass and metal polishing felts; piano felts; wool felts for apparel and interior design; felts for automotive, industrial, and aerospace applications; papermakers' felts for paper; and nonwovens.

Mineral Fiber Products

Asbestos fibers; asbestos papers, boards, and gasketing materials.

Sound Control Products

Automotive and industrial sound deadening and noise control products.

Granules

Mineral granules for roofing and other uses, inert fillers, and slate floor.

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